

August 2 1988  
e new  
olume

Japan	100.00	France	100.00	Germany	100.00
UK	100.00	Italy	100.00	Spain	100.00
Australia	100.00	Canada	100.00	USA	100.00
Switzerland	100.00	Belgium	100.00	Denmark	100.00
Netherlands	100.00	Sweden	100.00	Portugal	100.00
South Africa	100.00	India	100.00	China	100.00
South Korea	100.00	Japan	100.00	Philippines	100.00
Malaysia	100.00	Singapore	100.00	Thailand	100.00
Indonesia	100.00	Brunei	100.00	Myanmar	100.00
India	100.00	Pakistan	100.00	Bangladesh	100.00
Sri Lanka	100.00	Sri Lanka	100.00	Sri Lanka	100.00
Sri Lanka	100.00	Sri Lanka	100.00	Sri Lanka	100.00

INSIDE

## MOSCOW

Taking the rocky capitalist road

Page 16

World News Business Summary

### PLO calls crisis talks on Jordan's W Bank move

**THE PALESTINE** Liberation Organisation, thrown off-balance by Jordan's decision to disengage from the West Bank, has called an emergency session of the Palestine National Council, its supreme policy-making body.

The Palestinian parliament-in-exile is expected to meet within a month, probably in Baghdad, to review the latest developments. Page 3

### Karabakh deal

Communist Party chiefs from Armenia and Azerbaijan agreed to work together for the development of the disputed region of Nagorno-Karabakh. Page 3

### Pact arms move

The Warsaw Pact appeared to have made a concession over the status of nuclear weapons in proposed new talks on conventional arms in Europe. Page 2

### China cash cuts

The China Academy of Social Sciences says Government departments must cut spending and stop meddling in the banking system, if the country's rapid growth rate is to be retained. Page 2

### Soviet risk money

A bank opened in Leningrad to provide risk capital for Soviet inventors. It aims to cut through the bureaucratic obstacles which impede the development of inventions into products. Page 2

### Seal AIDS threat

Humans could be the next victims of the AIDS-like illness which has wiped out many of Sweden's seals, according to a Swedish doctor who says industrial pollution could be to blame for the plague. Page 2

### Cyprus optimism

President George Vassiliou of Cyprus said that talks were good for a negotiated settlement of the island's division. Page 5

### Adsteam emerges as buyer of Bell stake

**ADKLAIDE STEAMSHIP**, Australian holding company, emerged as the holder of 11.44 per cent of Perth-based Bell Resources, the asset-rich jewel of Mr Robert Holmes a Court's dwindling corporate empire.

Adsteam, said to hold 63.5m shares in Bell Resources, confirmed widespread speculation that the company was building a stake in Bell, shares of which have been heavily traded of late. Page 17

### STREITLY, UK construction materials group, purchased five companies

STREITLY, UK construction materials group, purchased five companies in Spain for a total of Ptas 5.19bn (\$42m) to expand its Spanish aggregates interests, the first acquisitions it has made since it raised \$68m (\$129.2) through a rights issue in June to fund overseas expansion. Page 17

### FIAT acquired a 14 per cent stake in Labinal

FIAT acquired a 14 per cent stake in Labinal, French supplier of components to the car and aerospace industries with which it has close links; it said the FF400m (\$68.5m) purchase was defensive and that it had no hostile takeover intentions. Page 17

### LIBERTY MUTUAL Insurance Company, among the largest property-casualty insurance companies in the US, is taking a 15 per cent stake in Touche

LIBERTY MUTUAL Insurance Company, among the largest property-casualty insurance companies in the US, is taking a 15 per cent stake in Touche Remnant Holdings, the UK fund-management group and Britain's largest investment trust. Page 17

### COFFEE: Prices went into free fall again yesterday in both London and New York

COFFEE: Prices went into free fall again yesterday in both London and New York. On the London Futures and Options Exchange three-month robusta coffee closed almost £100 a tonne down after touching a seven-year low of \$390 a tonne, compared with the previous close of £1,020. Page 32

### BRIDGESTONE, Japanese tyre company buying Firestone Tire and Rubber of the US, signed a \$92m deal to purchase a 35 per cent stake in a tyre manufacturer in Turkey to use as a base for supplying Africa and the Middle East

BRIDGESTONE, Japanese tyre company buying Firestone Tire and Rubber of the US, signed a \$92m deal to purchase a 35 per cent stake in a tyre manufacturer in Turkey to use as a base for supplying Africa and the Middle East. Page 17

### HAFSLUND NYCOMED, diversified Norwegian group with main interests in pharmaceuticals and energy, is seeking to increase the limit on the foreign ownership of its voting shares to 35 per cent from 30 per cent. Page 18

### VALMET, Finnish metal and engineering group, will become the country's first state-owned company to be partly privatised through an issue consisting of 6.5m shares to domestic investors. Page 18

## Britain to create new market in Ecu denominated bills

By Simon Holberton and Stephen Fidler in London

**THE BRITISH** Government yesterday announced plans to repay \$2.5bn of foreign debt and to create a new market in short-term Treasury bills denominated in European Currency Units, the hybrid currency created by the European Community in 1979.

The repayment of a \$2.5bn floating rate note, launched in September 1985, reflects the strength of Britain's foreign exchange reserves, which the Treasury said yesterday rose by an undecy \$910m in July to a record \$49.8bn.

The surprise move to issue Ecu bills was presented by the Treasury and the Bank of England as a concrete and practical step towards closer monetary co-operation and relations with its partners in the European Community.

It follows recent criticism by Mrs Margaret Thatcher, the British Prime Minister, of "airy-fairy" notions of European unity mooted by some Continental politicians and EC officials.

Mr Nigel Lawson, the Chancellor of the Exchequer, said the decision to issue Ecu bills "widens the options for managing the UK's reserves and will establish London's position as the centre of the Ecu market, which we wish to see develop further."

London, along with Paris and the Benelux countries, are the main centres for the growing Ecu financial market. The British move may encourage other European governments to follow suit.

UK officials said the issuance of Ecu debt would also give the authorities another tactical weapon in foreign exchange market intervention.

Let's last year, the Government was criticised by the West German monetary authorities for the Bank of England's purchases of D-Marks in foreign exchange market intervention.

The Ecu is a basket of 10 European currencies, including sterling, weighted according to economic importance and the currency's use in short-term finance. Yesterday, the D-mark accounted for 34.5 per cent of its value, the French franc for 18.6 per cent and sterling for 13.5 per cent.

The Government plans to issue the first Ecu bills in autumn. The Ecu bills, issued at a discount with maturities of one, three and six months, will be sold by monthly tender. Up to Ecu500m (\$650m) will be offered at first with the total amount outstanding expected to expand to Ecu1.2bn. A decision on the further expansion of the programme will be taken in light of its success.

Yields on the bills are expected to be well below rates available on bank deposits, the only significant alternative for short-term Ecu investors.

The main buyers of the bills are expected to be foreign central banks and investment institutions.

The lack of a large short-term bill market in Ecus is viewed as having hindered the development of a wider Ecu market, the existence of which could become more useful as a source of finance for companies. Ecu-denominated bonds currently account for only 4 per cent of outstanding international bonds, Ecu44bn.

The early redemption of the floating rate notes in October, will be paid for by an already-executed \$1bn purchase of dollars in the forward foreign exchange market and by drawing down \$1.5bn from the foreign reserves.

## Pretoria takes initiative in Angola talks

By Michael Holman in Geneva and Anthony Robinson in Johannesburg

**SOUTH AFRICA** yesterday took the initiative at the Geneva peace talks on southern Africa and offered that independence for Namibia on June 1 next year, provided Cuba withdraws its 45,000 troops from Angola by the same date.

The other condition, set out in an unexpected announcement in Pretoria by Mr Pik Botha, South Africa's Foreign Minister, was that Angola agree to close camps inside its territory holding an estimated 9,000 guerrillas of the African National Congress.

Mr Botha also called for a ceasefire to begin a week today, and restrictions by Angola on activity by guerrillas of the South West Africa People's Organisation, fighting for the independence of Namibia.

The offer, described by Mr Botha as a "comprehensive peace proposal," was put yesterday to the Angolan and Cuban delegations at talks chaired by Dr Chester Crocker, the US Assistant Secretary of State for Africa.

Although the move is the clearest and most categorical assertion of South Africa's willingness to end its control of Namibia and allow internationally supervised independence elections, it seems unlikely that Cuba and Angola will accept it.

Both governments believe that a Cuban presence may be necessary for at least two years in view of the threat to security posed by Unita, the Angolan rebel movement. The Cubans would also be seen as necessary counterweight to South African influence until the new Namibian government was firmly established.

Pretoria's new offer came as Cuba and Angola were preparing a counter-proposal, shortening the four-year timetable for a phased Cuban withdrawal they set out earlier this year - probably by up to two years.

A shorter period would leave the Luanda Government vulnerable to the Unita rebel movement, led by Dr Jonas Savimbi.

Mr Botha said UN Resolution 435, which envisages internationally supervised elections in Namibia, monitored by a 7,500-strong UN task force, would take effect from November 1.

Commonwealth report on sanctions, Page 16



### Carlucci wins his wings in Moscow

By John Lloyd in Moscow

**THE US** Defence Secretary and his aides yesterday saw more Soviet military technology in a day than any American politicians or military officers have seen for nearly four decades.

Mr Frank Carlucci sat in the cockpit of the Blackjack bomber (equivalent to the US B-1), watched Soviet troops from the crack Taman regiment "attack" each other with great ferocity, watched the new MiG-29 fighter manoeuvre, saw the huge Mi26 helicopter land and inspected the Taman's kitchens.

In a previous existence as deputy director of the Central Intelligence Agency, Mr Carlucci had spent millions of dollars and risked lives trying to get fuzzy pictures of this kind of stuff. Yesterday, he told a press conference in the US embassy, he sat in the Blackjack's cockpit to hear a Soviet pilot answer his questions "promptly and fully."

As he was inspecting the Soviet hardware, a 44-year-old British tank rumbled through Leningrad. The tank, a Second World War Victor, was a gift to commemorate Anglo-Soviet alliance during the war and a response to an earlier gift from the Soviet Union of a veteran IS2 tank.

Mr Carlucci praised the "remarkable candour and openness" which characterised his visits to the air force and army bases. He also spent four hours with his counterpart, Mr Dimitry Yazov. On Monday, Mr Carlucci expressed US doubts about the sincerity of Soviet claims to hold a purely defensive military posture. He said yesterday: "It is clear that they are still grappling with what is a defensive doctrine and how many resources should go into that."

Mr Carlucci said "the fact that we are having talks does not mean all the problems have been solved. It behaves us Continued on Page 16

## Hitch in Gulf peace talks after UN and Iraq clash

By Andrew Gowers, Middle East Editor, in New York

**UNITED NATIONS** talks on ending the Gulf war appeared to be running into serious trouble last night as the UN Secretary-General and a senior Iraqi representative clashed over plans for an early ceasefire.

Mr Javier Puzos de Cuellar, secretary-general, signalled that he may announce the date for a ceasefire without the agreement of Iraq, but Baghdad responded yesterday by vowing that it would not accept any imposed peace moves before Iraq agreed to direct talks on a comprehensive settlement to the conflict.

Mr Riyad al-Qayali, a member of the Iraqi delegation in New York, told reporters: "We will not accept a fait accompli, no matter from what quarter it comes. If anyone is harbouring any illusions that Iraq will accept a fait accompli, he should realise that he is committing a serious mistake and doing grave damage to the cause of peace."

A clearly rattled Mr Perez de Cuellar hit back minutes later by saying: "I don't know whether he (Mr al-Qayali) understood what he was saying," and making a personal appeal to President Saddam Hussein to accept the "current peace moves."

"I know President Saddam Hussein and I trust very much his wisdom," he said. "I have noted that he is very much interested in a peaceful solution."

The UN talks have been stalled for several days over Iraq's demand for a direct meeting with Iran prior to a ceasefire. In the three meetings he has held with Mr Perez de Cuellar so far, Mr Tariq Aziz, the Iraqi Foreign Minister, has refused to negotiate on a ceasefire and insists that he regards face-to-face talks as an essential test of Iraq's sincerity.

Mr Ali Akbar Bekayati, his Iranian counterpart, has agreed in principle to direct talks, but only once a ceasefire is in place. Iraq takes this as evidence for its suspicion that Iran is merely trying to buy time through a temporary truce rather than seeking a durable peace.

"They (the Iranians) have not committed themselves to a comprehensive and durable peace. Peace has to be made between Iran and Iraq and not between Iran and the United Nations," said Mr al-Qayali, who denies that Iraq was setting preconditions but also implicitly accused the UN of failing to adopt an even-handed approach.

The apparent impasse led Mr Perez de Cuellar to turn up the pressure on Monday night by saying he could announce the ceasefire independent of (warning) parties, after he received Continued on Page 16

## Bundesbank raises repo rate to 4.25%

By David Goodhart in Bonn, Haig Simonian in Frankfurt and Ralph Atkins in London

**WEST GERMANY'S** central bank, the Bundesbank, yesterday continued its step-by-step increase in West German interest rates by raising the rate for securities repurchase agreements (repos) to 4.25 per cent from 4.00 per cent.

The move, which followed last week's decision to increase the Lombard emergency funding rate to 5 per cent from 4.5 per cent, is part of a strategy aimed at maintaining the value of the D-Mark against the dollar and keeping domestic inflation at bay.

The dollar continued to be underpinned by confidence in the US economy and speculation that interest rates will remain firm because of inflationary pressures.

In London the D-Mark strengthened fractionally against the dollar, ending at DML8755 against the previous close of DML8765. However, the Bundesbank interest rate rise was in line with expectations and had only a modest impact on trading.

Confidence was reinforced by figures for US leading indicators and factory orders released yesterday which suggested the economy is still growing quickly.

In early New York trading the dollar showed a rise against the D-Mark. By lunchtime it was trading at DML8730 against DML8690 at Monday's close.

The rise in the repo rate coincided with news that the West German Government had again revised upwards its GNP growth estimate for 1988 and taken a swipe at the prophets of economic gloom.

Based on higher-than-expected industrial production figures for June, Mr Martin Bangemann, Economics Minister, predicted that GNP growth would be between 2.5 and 3 per cent. Continued on Page 16

## Argentina announces austerity plan as interest fears grow

By Gary Mead in Buenos Aires and Stephen Fidler in London

**ARGENTINA'S** yesterday released details of its new austerity plan, involving sharp rises in charges for state services and cuts in spending, as doubts grew about the country's ability to meet interest payments on its \$65bn foreign debt.

The measures are believed to be in response to pressure from the International Monetary Fund to cut public spending and bring inflation down from a level of over 20 per cent a month.

Argentina has fallen between \$20m and \$30m in arrears on interest payments to commercial banks, bankers said yesterday. Many payments to banks are already more than 90 days overdue. When this happens banks in the US are required to downgrade their Argentine loans and set aside extra provisions against them.

Mr William Rhodes, Citibank's chief negotiator, who heads the Argentine bank advisory committee, said the committee would meet next week.

The International Monetary Fund has cancelled the two remaining tranches, totalling SDR380m (\$450m), of loans under an agreement signed last year, and this also means that a \$150m disbursement from commercial banks, linked to the IMF disbursements, will not now be made, contributing to a severe short-term need for funds.

Even if governments led by the US-Secretary of State George Shultz is in Buenos Aires today - managed to put together a bridging loan to dig the country out of its short-term difficulties, there is the question of what financing the bridge would be built to.

The country is seeking \$1.2bn in a new standby credit from the IMF, and a letter of intent about this may be in place in two to three weeks. But such funds would not be available until well into the autumn.

Argentina has badly missed the inflation targets under the previous IMF package, and the IMF executive board has been demanding strong early action before any new agreement can be made.

Under the new plan, consumers of public utilities face immediate price increases of 30 per cent for electricity, gas, welfare deductions, telephones and fuel oils. The Government has declared that it will not raise public sector prices for a further two months.

To cushion the effect of the increases the Government has also increased salaries for state employees by 25 per cent,

MARKETS

Tokyo Nikkei Average (000) 28.5

28.0

27.5

27.0

July 88 Aug

INTEREST RATES

US benchmarks

Fed Funds 7 1/8 (same)

3-month Treasury Bill yield: 7.11 (7.1)

Long Bond: 100 1/4 (98 1/4) yield: 8.1 (8.15)

London 3-month Interbank: close 10 1/2 (same)

STRENGTH

New York benchmarks

\$ 1.7105 (1.7180)

London: \$ 1.7100 (1.7135)

DM 3.2075 (3.2150)

FF 10.8150 (10.8425)

Sfr 2.6700 (2.6750)

Y 227.25 (227.50)

DOLLAR

New York benchmarks

DM 1.8745 (1.8890)

FFr 6.3205 (6.3175)

Sfr 1.5615 (1.5615)

Y132.575 (132.675)

Low DM 1.8755 (1.8785)

FFr 6.3250 (6.3275)

Sfr 1.5620 (1.5615)

Y132.80 (132.75)

GOLD

New York Spot: Comex Dec \$442.55 (\$445.5)

Low: \$438.25 (\$435.5)

STOCK INDICES

New York benchmarks

Dow Jones Ind. Av. 2,117.71 (-12.8)

S&P Comp 271.08 (-1.13)

London: FT-SE 100 1065.6 (-8.7)

World: 129.51 (Mon)

Tokyo Nikkei Ave 28,366.33 (+40.02)

Frankfurt Commerzbank 1,491.3 (-0.8)

OSL Brent 15-day (Aug) \$ 15.40 (-0.248)

West Tax Crude \$ 15.75 (-0.51)

CONTENTS

Why Bonn's secrets are not so secret as secrets elsewhere 2

Germany: A divided land unites around the business table 2

Thalbach Prem's departure tests the politicians' mettle 3

Technology: The non-stop route towards a smart car for cars 12

The EC and dumping: Stretching the Gatt to its limit 14

Editorial comment: The ECU steps forward: Chilling words from the UN 14

Long-term unemployment: How business can tap the wasted potential 15

Loxi ECUs; currencies; Touche Remnant; securitisation 16

Europe 2

Competition 19

America 6

Companies 18

Overseas 23

Companies 29

World Trade 4

Britain 8

Companies 27,28

Agriculture 32

Art-Review 73

World Guide 73

Commercial Law 12

Commodities 26

Crossword 27

Currencies 23

Editorial Comment 14

Euro-options 29

Financial Futures 23

Gold 22

International bonds 20

Int. Capital Markets 26

Letters 15

Technology 12

Management 11

Money Markets 23

Observer 14

Raw Materials 22

Stock Markets 30,38

Wall Street 30-38

Weather 12

Unit Traders 24-27

Weather 18

World Index 28

Are the biggest stars necessarily the brightest?

MARTIN LEWIS ASSOCIATES DESIGN CONSULTANTS

In the four years since our formation, Martin Lewis Associates has attracted a prestigious galaxy of clients.

Perhaps, they feel, like us, that a design group's magnitude is no guarantee of creativity.

So, although we may not be the biggest, we do however produce the brightest design solutions.

CORPORATE IDENTITY FINANCIAL LITERATURE PACKAGING EXHIBITIONS RETAIL IDENTITY

Contact Martin Lewis or Rhiannon Hughes for a copy of our portfolio.

4 PARKSHOT - THE GREEN - RICHMOND - SURREY TW9 2RD  
TELEPHONE 01-940 9755 - FACSIMILE 01-948 7502



EUROPEAN NEWS

OVERSEAS NEWS

Warsaw Pact gives ground on arms talks

By Judy Dempsey in Vienna

EAST-WEST differences about the mandate for proposed new talks on conventional arms in Europe have narrowed significantly over the past week...

When, in July 1987, the North Atlantic Treaty Organisation (Nato) put forward its draft mandate, it stipulated that "nuclear weapons will not be and will not become subject to negotiation..."

The Soviet Union's response to the Nato clause appears to represent a significant breakthrough. The latest formula makes no explicit reference to the inclusion of dual-capable systems in the CST.

Both sides are now working on a compromise paper which could possibly envisage a "corridor" in Turkey which would be left out of any arms reductions.

East awaits passport perestroika

Judy Dempsey in Vienna reports on the travel bureaucracy facing Warsaw Pact citizens

MR Mikhail Gorbachev's policies of openness and restructuring would have far greater support and meaning for millions of citizens in the Soviet Union and Eastern Europe if the regulations on travel and passports were radically reformed.

The right to travel, which continues to be one of the most sensitive issues in Eastern Europe, is at present under review in several of these countries.

port office. Any future travel requires further application forms, further questionnaires and endless delays.

THE BELGIAN Government yesterday signed a debt relief agreement with leading domestic institutional investors, who have agreed to pay...

Belgium in debt relief agreement

By David Buchan in Brussels

THE BELGIAN Government yesterday signed a debt relief agreement with leading domestic institutional investors, who have agreed to pay...

next form to be filled out, with questions ranging from the purpose of the visit, what places and people will be visited.

What the authorities fear most from liberalising the passport system, however, is not the depletion of their hard currency reserves, but that a "brain drain" would take place.

THE BELGIAN Government yesterday signed a debt relief agreement with leading domestic institutional investors, who have agreed to pay...

In Romania, people must first apply for the application form before they can apply for a passport.

not required to give any reason if an application is turned down.

For those who are lucky enough to obtain a passport, the road still remains blocked with further obstacles.

port cannot be used for travel to both socialist and Western countries.

What the authorities fear most from liberalising the passport system, however, is not the depletion of their hard currency reserves, but that a "brain drain" would take place.

Italy unemployment rises as prosperity gap widens

By John Wyles in Rome

THE UNEMPLOYMENT rate in Italy reached 11.9 per cent in April, reflecting a growing number of job-seekers in the south who more than offset a decline in the booming north of the country.

In the north 6.7 per cent of the workforce was unemployed, compared with 7.6 per cent last April.

COMMUNIST Party chiefs from Armenia and Azerbaijan agreed yesterday to work together for the development of the disputed region of Nagorno-Karabakh.

Tass said "the republican party organisations of Azerbaijan and Armenia will work in close co-operation, in the spirit of perestroika (restructuring), in the basic interests of both peoples."

Party leaders agree to co-operate on Karabakh

By John Wyles in Rome

THE UNEMPLOYMENT rate in Italy reached 11.9 per cent in April, reflecting a growing number of job-seekers in the south who more than offset a decline in the booming north of the country.

Most important factor behind the significantly higher rate in the south is a growing north-south prosperity gap.

Most important factor behind the significantly higher rate in the south is a growing north-south prosperity gap.

Most important factor behind the significantly higher rate in the south is a growing north-south prosperity gap.

Divided Germany unites around the business table

Leslie Collett reports that cross-border contacts between the captains of industry are a serious affair

SYMBOLICALLY, a towering West German crane bearing the name of its manufacturer in the Ruhr has dominated the biannual East-West trade fair in Leipzig.

common is full confidence in each other's reliability. They know their partner in Düsseldorf or Dresden will deliver the goods promised, as specified and on time.

most imaginative devices must be found to boost trade.

largely destined for West Berlin.

E Germans urged to seek reform at home

A CONSERVATIVE West German politician has made a controversial appeal for East Germans to stay at home and "change conditions" rather than seek to emigrate to the West.

from the East German Protestant Church, calling on people to work for change from the inside.

standing applications might be anywhere from 200,000 to 1m.

The West German mission in East Berlin said it remained to be seen how long East Germany would continue allowing the increased number of migrants.

Miti puzzle over alloy project

lan Rodger reports from Tokyo on an apparent departure from Japanese technology policy in the field of aluminium lithium alloys for use, notably, in the aerospace industry

A CONSORTIUM of Japanese companies is planning a seven-year independent project to develop aluminium lithium alloys, metals which have considerable potential in aerospace applications.

ness and with rolling the alloys. Thus, there was still room for basic study.

ness and with rolling the alloys. Thus, there was still room for basic study.

ness and with rolling the alloys. Thus, there was still room for basic study.

UK building industry trails in 1992 plans

By Andrew Taylor, Construction Correspondent

FRENCH contractors and building material companies are about two years ahead of British and West German companies in preparing to take advantage of the creation in 1992 of a single European Community market.

UK building industry trails in 1992 plans

By Andrew Taylor, Construction Correspondent

FRENCH contractors and building material companies are about two years ahead of British and West German companies in preparing to take advantage of the creation in 1992 of a single European Community market.

Miti puzzle over alloy project

lan Rodger reports from Tokyo on an apparent departure from Japanese technology policy in the field of aluminium lithium alloys for use, notably, in the aerospace industry

A CONSORTIUM of Japanese companies is planning a seven-year independent project to develop aluminium lithium alloys, metals which have considerable potential in aerospace applications.

Miti puzzle over alloy project

lan Rodger reports from Tokyo on an apparent departure from Japanese technology policy in the field of aluminium lithium alloys for use, notably, in the aerospace industry

A CONSORTIUM of Japanese companies is planning a seven-year independent project to develop aluminium lithium alloys, metals which have considerable potential in aerospace applications.

Miti puzzle over alloy project

lan Rodger reports from Tokyo on an apparent departure from Japanese technology policy in the field of aluminium lithium alloys for use, notably, in the aerospace industry

A CONSORTIUM of Japanese companies is planning a seven-year independent project to develop aluminium lithium alloys, metals which have considerable potential in aerospace applications.

Miti puzzle over alloy project

lan Rodger reports from Tokyo on an apparent departure from Japanese technology policy in the field of aluminium lithium alloys for use, notably, in the aerospace industry

A CONSORTIUM of Japanese companies is planning a seven-year independent project to develop aluminium lithium alloys, metals which have considerable potential in aerospace applications.

Miti puzzle over alloy project

lan Rodger reports from Tokyo on an apparent departure from Japanese technology policy in the field of aluminium lithium alloys for use, notably, in the aerospace industry

A CONSORTIUM of Japanese companies is planning a seven-year independent project to develop aluminium lithium alloys, metals which have considerable potential in aerospace applications.

Miti puzzle over alloy project

lan Rodger reports from Tokyo on an apparent departure from Japanese technology policy in the field of aluminium lithium alloys for use, notably, in the aerospace industry

A CONSORTIUM of Japanese companies is planning a seven-year independent project to develop aluminium lithium alloys, metals which have considerable potential in aerospace applications.

Miti puzzle over alloy project

lan Rodger reports from Tokyo on an apparent departure from Japanese technology policy in the field of aluminium lithium alloys for use, notably, in the aerospace industry

A CONSORTIUM of Japanese companies is planning a seven-year independent project to develop aluminium lithium alloys, metals which have considerable potential in aerospace applications.

Miti puzzle over alloy project

lan Rodger reports from Tokyo on an apparent departure from Japanese technology policy in the field of aluminium lithium alloys for use, notably, in the aerospace industry

A CONSORTIUM of Japanese companies is planning a seven-year independent project to develop aluminium lithium alloys, metals which have considerable potential in aerospace applications.

Tax reform likely to add 0.2% to Japan's GNP

By lan Rodger in Tokyo

THE PROPOSED overhaul of Japan's tax system will add 0.2 per cent to the country's annual gross domestic product, according to a study by the Government's Economic Planning Agency.

THE PROPOSED overhaul of Japan's tax system will add 0.2 per cent to the country's annual gross domestic product, according to a study by the Government's Economic Planning Agency.

Tax reform likely to add 0.2% to Japan's GNP

By lan Rodger in Tokyo

THE PROPOSED overhaul of Japan's tax system will add 0.2 per cent to the country's annual gross domestic product, according to a study by the Government's Economic Planning Agency.

THE PROPOSED overhaul of Japan's tax system will add 0.2 per cent to the country's annual gross domestic product, according to a study by the Government's Economic Planning Agency.



OVERSEAS NEWS

PALESTINIAN 'PARLIAMENT' TO MEET

PLO calls crisis talks on Jordan's West Bank move

By Tony Walker in Amman

THE PALESTINE Liberation Organisation, thrown off balance by Jordan's decision to disengage from the West Bank, has called an emergency session of the Palestine National Council, its supreme policy-making body.

The Palestinian parliament-in-exile is expected to meet within a month, probably in Baghdad, to review the latest developments.

The hastily convened PNC session almost certainly reflects disquiet over the implications of King Hussein's dramatic announcement on Sunday that he was handing responsibility for the West Bank to the PLO.

The decision to call together the 450 PNC representatives was taken at a meeting of the Palestine Central Council, the PLO's advisory body, which concluded a meeting in Baghdad yesterday.

A PLO spokesman said a high-level delegation would visit Amman next week for consultations with Jordanian officials. Mr Yassir Arafat, chairman of the PLO, would not lead the delegation, putting off for the time being his planned visit to Jordan.

In Jordan, there has been confusion about the practical consequences of King Hussein's decision to cut legal and administrative ties with the West Bank, home of some 850,000 Palestinians.

The King's speech, which was televised to the nation, left many unanswered questions about continued dealings with the West Bank, over which Jordan has claimed sovereignty since 1967.

One of these relates to the payment of salaries and pensions to 24,000 West Bankers, many of whom have been on the Jordanian payroll since before the 1967 war.

These employees may be suspended as part of Jordan's disengagement from the territories. It is unclear who, if anyone, will continue to pay them. Their salaries amount to \$30m a year.

Local observers point out that the PLO does not have an infrastructure which would allow it to transfer funds to the territories on a regular basis.

There is also the question of passports. Some 850,000 residents of the West Bank and Gaza Strip have been entitled

to Jordanian passports. A question mark now hangs over whether Jordan will continue to issue passports to West Bank Palestinians. Officials have indicated this may now become a PLO responsibility.

Problems may also arise over movement back and forth between the West Bank and Jordan, affecting trade.

Government spokesmen are reluctant to be drawn on measures required to complete the disengagement between Jordan and the West Bank.

Their studied vagueness appears part of a deliberate policy while the Government awaits reaction to the King's announcement, both from West Bank Palestinians and from the PLO itself.

Palestinian observers and Western officials believe that King Hussein, by forcing such a practical issue as passports and salaries, is seeking to highlight Jordan's and his own continuing importance to the people of the occupied territories.

Jordan appears to be hoping that both the PLO and West Bank Palestinians will urge that it continue to play an administrative role. King Hussein has made no secret of the fact that he believes Jordan's efforts to assist the Palestinians have not been appreciated.

The King has indicated displeasure at criticism of his motives for wanting to maintain close links with the West Bank, which was ruled by his family until it was seized by Israel in 1967.

The Palestinian uprising in the occupied territories had strengthened PLO demands for recognition of rights to independent statehood in the West Bank and Gaza Strip. This pushed into the background the idea of a confederation between Jordan and a Palestinian homeland, which had long been the King's preferred option.

Troops shot dead a teenager and wounded four other demonstrators in the West Bank yesterday amid protests over the expulsion of Palestinians accused of inciting violence.

Arabs demonstrated and staged a strike in support of eight deportees who were taken in southern Lebanon by army helicopter on Monday.

Indian MPs urge inquiry on Sumitomo 'payments'

By K.K. Sharma in New Delhi

AT LEAST one MP from India's ruling Congress I party yesterday joined opposition calls for a government inquiry into alleged commission payments by Sumitomo of Japan to an Indian businessman in connection with two contracts with the state-owned Oil and Natural Gas Commission.

The allegation was made last week by The Statesman newspaper of New Delhi which claimed that the businessman was associated with Captain Satish Sharma, a close friend of the Indian Prime Minister, Mr Rajiv Gandhi.

In a statement to both houses of parliament yesterday, Mr B.K. Gadgil, Minister of State of Finance, said the Statesman report was "inaccurate" in many respects. But he did not deny that Sumitomo had made the alleged payments.

Mr Gadgil said Mr Lalit Suri, the businessman, was a "consultant" and had submitted income tax returns in which payments by Sumitomo were mentioned.

Opposition members in the Rajya Sabha, the upper house of parliament, were yesterday unhappy with the government explanation and the issue is bound to be raised again.

The Statesman report follows charges of pay-offs to people close to Mr Gandhi by Bofors of Sweden.

Prem's departure tests politicians' mettle

Peter Ungphakorn on the men likely to assume power after the Thai PM goes

GENERAL Prem Tinsulanonda governed Thailand for eight years with caution and predictability. There were a few minor surprises, but none as startling as the one he reserved for last week when, out of the blue, he told politicians negotiating a new coalition that he would no longer be prime minister.

His decision has transformed Thai politics. It imposes the severest test on civilian politicians in 12 years and could affect Thailand's much-publicised progress towards becoming a newly-industrialising country.

Without Gen Prem, the new coalition is also likely to be without any direct representative of the army, a rare situation that in the past has usually ended in a coup.

The army will continue to watch developments closely and has allies in several of the parties. But it, too, is split and much depends on the annual military appointments due next month. The last successful coup was in 1977 and all attempts since have failed.

In the past Gen Prem made sure his supporters controlled the key military positions. Now, the field is thrown wide open, with uncertainty about the future of Gen Chavalit Yongchaiyudh, the army commander.

When appointed in May 1986 he promised to remain in office for only two years and indeed he handed in his resignation in May, but Gen Prem turned down the resignation. At the time, observers thought Gen

Chavalit might resign in September. He has said nothing so far about the possibility.

The uncertainty contrasts starkly with the routine and ritualistic political events of the past few months before Gen Prem made his surprise announcement.

The campaign for the July 24 general election opened after parliament was dissolved on April 29 with the routine spate of coup rumours and a procession of senior military officers who visited Gen Prem, apparently to express support.

Students, academics and a handful of political leaders called for the Prime Minister to be an elected member of parliament. The calls carried little weight and there was no response from Gen Prem, who was still army commander in 1980 when he took over the Government under a military-inspired constitutional provision that allows a non-elected prime minister.

There were some bitter local rivalries and millions of baht were spent on buying votes, but polling sprang no surprises and everyone assumed Gen Prem would head yet another coalition - if he had made his announcement before July 24, the election would have been quite different.

On the assumption that Gen Prem would continue, Maj Gen Chatichai Choonhavan, leader of Chat Thai (Thai Nation), the largest party, announced the following day he was not ready to be prime minister. Two days later, Gen Prem forced readiness upon him.



Chatichai: a more pro-business role

The real reason for Gen Prem's decision to stand down is not clear. He said he wanted Thailand's democracy to progress further and a number of critics promptly congratulated him - the latest was Gen Arthit Kamlang-ek, voted into the Lower House in this election, whom Gen Prem had sacked as army commander in 1986.

But Gen Prem always preferred the kudos of premiership to the battles over policies and vested interests. He presided over a dramatic recovery from mild recession in 1984-85, but his strength had been in hiring and firing - sometimes controversially - and as a compromiser between factions that did not threaten him personally.

By election day, he had already achieved his ambition

to preside over two important royal ceremonies: the King's 60th birthday on December 5 last year and the July 2 celebrations this year when King Bhumibol Adulyadej became Thailand's longest reigning monarch. Another term appeared to promise nothing but trouble.

Gen Prem has shown a sensitivity to criticism. It was apparently the reason for dissolving parliament rather than face a no-confidence debate he ought to have won.

But he has not ruled out the possibility of returning as a compromise prime minister if the parties fail to stay together.

Gen Chatichai, if confirmed as the new prime minister, is likely to play a more assertive, pro-business role than his predecessor in formulating policy. But much depends on the behaviour of ministers from the five parties that are expected to form the coalition.

A former diplomat and foreign and industry minister, he will inherit an economy undergoing rapid industrialisation and export-led growth, still suffering corruption in some key areas. The fear is that corruption in the Cabinet itself could get out of hand, although the new responsibility suddenly dropped on their shoulders by Gen Prem's departure could restrain politicians' greed.

Gen Chatichai's Chat Thai Party, although the largest, only has 87 seats, less than a quarter of the Lower House. He and his party colleagues are closely associated with the

Eastern Seaboard Development Programme, which includes a new deep sea port, industrial estates, an export processing zone and a petrochemicals complex.

Mr Banham Silapa-archa, Chat Thai's secretary general and a leading party financier, spent two controversial years as communications minister with a series of scandals over bus purchase and highway construction contracts, the purchase of MD-11 aircraft for Thai Airways International and a crane monopoly at the port of Bangkok awarded to a leading Chat Thai politician.

The new communications minister could be Mr Montree Pongpanit of the 54-seat Social Action Party, who spent two equally controversial years as commerce minister with responsibilities that include control of export quotas. Transport and communications are likely to be a key economic issue because of the investment in infrastructure needed to accommodate Thailand's growth.

Political leaders negotiating the share-out of cabinet posts say the talks are cordial. That could mean that the new responsibility has encouraged them to avoid clashes over who should get the key positions and might signal a new determination to avoid serious splits.

If they fail, the army could move. Pessimists predict a Chatichai-led coalition might not last more than three months.

Peking urged to cut public expenditure

By Peter Ellingsen in Peking

A REPORT from the China Academy of Social Sciences says Government departments must reduce spending and stop meddling in the banking system, if the country's rapid growth rate is to be reined in and inflation held back.

China's economy has entered a breakneck phase of growth and consumers are being urged to tighten their belts to keep the lid on inflation.

According to the academy, the Finance Ministry, which is singled out for criticism has been fuelling 19 per cent inflation by printing money to satisfy its desire for luxury cars and other imported goods. This has led to overconsumption and a money supply growth rate of more than 30 per cent so far this year.

The Academy called on the Government to guarantee the independence of China's key banks, so that the Finance Ministry could no longer just demand an overdraft to cover its debts.

In their report, the economists suggest the National People's Congress be responsible for a new currency, and the ability of banks to issue over the country must reduce the purchasing power of enterprises and ministries to avoid deficits," the academy said.

But, according to the Finance Ministry's research

department, China will be stuck with a deficit for at least three to five years as its economy expands. The department said the Government had decided to reduce the deficit by issuing grants to special banks. An alternative, he said, would be to borrow additional foreign capital to add to China's foreign debt.

Both, however, are inflationary, and the economists have warned against using foreign debt to solve the problem of deficits. The dilemma is one which Chinese leaders meeting at the seaside resort of Beidaihe are now trying to resolve.

Without incurring a consumer backlash by letting prices go too high, they must somehow dampen demand in a booming economy where families now spend too much on non-staple food items and the so-called "four new essentials" - TV sets, refrigerators, washing machines and tape recorders.

In recent years, ownership of these goods, despite their expense (each costs about one year's average wage), has spiralled, creating distortions in the economy. According to academy economists, China, to avoid a skewed economy, needs more labour-intensive industries to absorb surplus rural manpower, not capital-intensive ones producing electrical appliances.

Manila and Washington narrow rift over bases

PHILIPPINE and American negotiators indicated yesterday that they were working towards a compromise on the divisive issue of how much Washington should pay for the two US military bases in this country, Rester reports from Manila.

One week after talks on the future of Clark Air Force and Subic Bay Naval Bases broke down because of disagreements over compensation, the two sides had more than two hours of talks in a bid to end the deadlock.

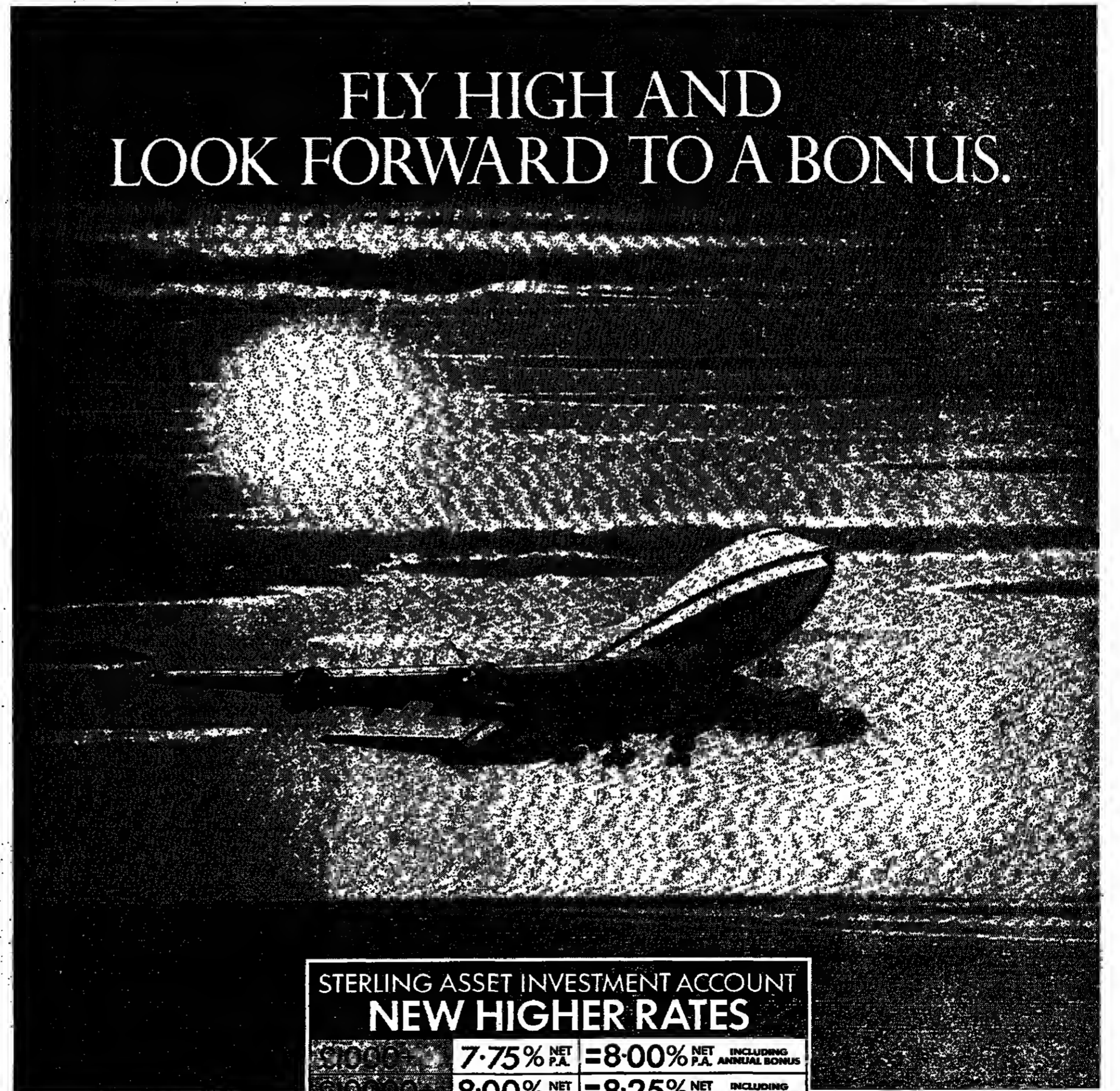
The discussion of the compensation issue encompassed a variety of economic options and the exchange of views will

continue," a joint statement said. It said that the two sides would meet again today.

Ms Mary Carlin Yates, for the US team, described the talks as "businesslike and cordial."

Foreign Secretary Raul Manglapus, Manila's chief negotiator, said before the talks resumed there were "some very interesting indications" that Washington had relaxed its position.

The talks broke down a week ago after Manila, demanding a \$1.2bn annual cash package, spurned the American counter-offer as too low.



FLY HIGH AND LOOK FORWARD TO A BONUS.

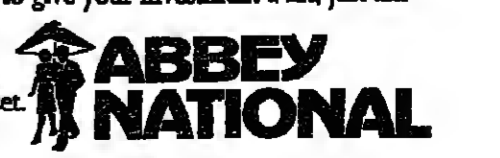
STERLING ASSET INVESTMENT ACCOUNT			
NEW HIGHER RATES			
£10,000	7.75% NET P.A.	= 8.00% NET P.A. INCLUDING ANNUAL BONUS	
£10,000	8.00% NET P.A.	= 8.25% NET P.A. INCLUDING ANNUAL BONUS	
£10,000	8.45% NET P.A.	= 8.70% NET P.A. INCLUDING ANNUAL BONUS	

Sterling Asset is the top flight investment account. We can pay your interest annually, or monthly to provide a regular income. But by giving 90 days notice or leaving £10,000 in the account after withdrawal, you'll only lose your bonus.

What's more, there's a bonus. We'll add extra interest if you make no withdrawals for a year. Should you need some money, you can withdraw your local branch about Sterling Asset.

That's on top of an excellent interest rate that rises the more you invest. 90 days interest.

If you'd like to give your investment a lift, just ask your local branch about Sterling Asset.





WORLD TRADE NEWS

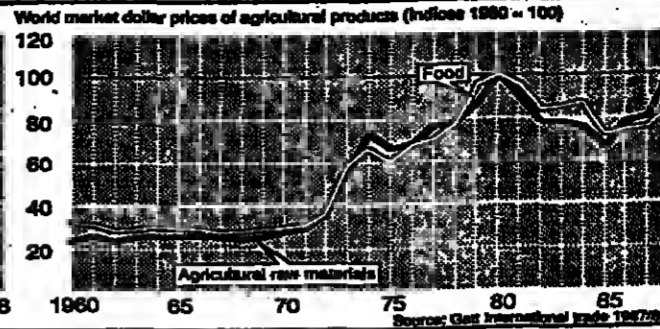
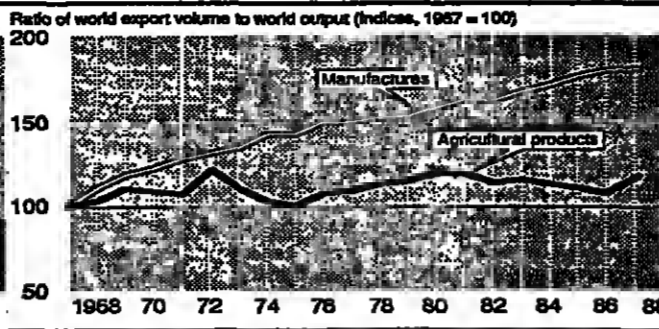
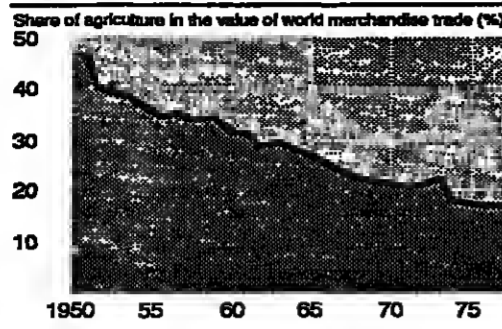
GATT ANNUAL REPORT ON INTERNATIONAL TRADE

Protectionist farm policies are restricting growth and trade

Recent improvements in prices have done nothing to reduce the urgent need for reform, William Dullforce reports

Recent improvements in the prices of many farm products have done nothing to reduce the urgent need for the reform of governments' policies on farming and agricultural trade.

Agriculture



These two features are not independent. If agriculture had been a dynamic sector of world trade, countries' farm policies would have been of less concern to their neighbours, Gatt comments.

Exports of farm products increased by 7 per cent a year compared with 10.5 per cent a year for total merchandise. Gatt economists attribute the recovery in the prices of many farm commodities since the beginning of 1987 to several factors, including the depreciation of the dollar.

Lower output was another element. Depressed prices before 1987 had discouraged production, for instance, of wheat in Australia and Canada and of palm oil in Malaysia.

Crises in supply prices and supply controls in the US, the European Community and Japan also helped to reduce output last year.

World stocks of several commodities have fallen. The US drought will affect this year's crops of wheat, maize and soybeans. Together with a general rekindling of inflationary expectations, these developments are reinforcing the upward pressures on prices.

Manufactures lead trade volume increase

By William Dullforce in Geneva

MANUFACTURED goods last year resumed their traditional role as the most dynamic element in world merchandise trade. An estimated 5.5 per cent expansion in volume represented a substantial acceleration from the 4 per cent increase recorded in 1986.

day, records a 16.5 per cent increase in the value of world merchandise exports to \$2,475bn in 1987. In addition to the 5 per cent growth in volume, this increase reflects higher dollar prices for oil and other primary commodities and a valuation effect due to the appreciation of major currencies such as the Yen and the DM.

However, the acceleration in the momentum of trade last year is traced to a sharp turnaround in import demand in developing countries, from a substantial decline in 1986 to a volume increase of 3 per cent.

At the product level the overall boost in trade of manufactures masked some recent rapid changes in the commodity pattern. Thus, the volume of trade in electronic products, currently accounting for about 12 per cent of world trade in manufactures, increased more than twice as fast as the total trade.

was the decisive element, gained about 20 per cent in dollar value last year, while the value of trade in textiles and clothing rose sharply.

By contrast trade in automotive products expanded less than the volume of total trade for the second year in a row. The volume of the steel trade now estimated to represent about 5 per cent of trade in manufactures, declined again.

South Korea, Taiwan, Hong Kong and Singapore top the list in that order with Turkey in fifth place and China sixth.

Since the early 1970s, access to the world market has helped many countries move up the development ladder.

Companies invest in Vietnam

TWELVE foreign companies have invested in Vietnam this year, and countries are urged to end isolating Vietnam, an official Vietnamese radio broadcast said.

Twenty foreign companies had expressed interest in a liberalised investment code.

Conjuring with a Turkish illusion

Jim Bodgener reports on the problem of bogus export returns

FICTITIOUS export returns have been a perennial problem in Turkey ever since tax rebate incentives were introduced in the early 1980s to encourage an export drive.

But most papers dwell only in passing on an alarming aspect for Turkey's Western creditors - that the country's debt-servicing creditworthiness in international financing circles might in fact be an illusion, conjured up by fake export earnings.

Trading companies can register dummy exports in several different ways. The most straightforward is to register with the Turkish customs the export of goods which never leave the country.

Foreign bankers, particularly those directly engaged in export financing, say the stories are too sensational. One, whose Istanbul-based institution handles about 10 per cent of the market, says he has no evidence of fraudulent claims.

Contracts & Tenders

**GOVERNMENT OF INDIA**  
**AIR HEADQUARTERS: INDIAN AIR FORCE**  
**TENDER NOTICE**

On behalf of the President of India, Director of Purchase, Air Headquarters, IAF invited sealed tenders on prescribed forms from manufacturers, stockists registered with MOD/BSI, on approved list of ISW, London, of Air HQ, India for supply of the following stores on FOB basis:

NATURE OF EQUIPMENT	TENDER NOS.	TENDER OPENING DATE
(a) Cold Weather Flying Clothing	NR/8825405	15 Sep 88
(b) Aviation Oils & Lubricants	NR/8825401	30 Sep 88
(c) Aircraft Instruments	NR/8825400	30 Sep 88
(d) Hunter Airframe	NR/8825255	30 Sep 88
(e) Tinting Machine for Aerial Films	NR/8825210	30 Sep 88

Tender documents can be had from the office of the Director of Purchase, Air Headquarters, Vayna Bhavana, New Delhi 110 011 (Tele: 31-65222) (Tele: 301-766/4701-1754) on payment of \$10/- per tender by Demand Bank Draft Payable to CD&A(HQ), New Delhi at State Bank of India, New Delhi. However, message through telex may be sent in advance and payment follow. Tenders will be opened at 1430 hrs on due dates. Sale of tender documents will close on 22 Aug 88 for S1 No. (a) above and on 30 Aug 88 for others. Samples will be required against S1 No. (a) above which may be sent in advance at per directions in the tender documents. Only those who can offer stores with suitable AQAP and Def Stao certifications, their NATO/BSI equivalent or Release Notes (in the case of manufacturers) may seek tender documents. Copy of MOD/BSI approved authority authorising the issue of inspection certificates for the range of stores offered is essential. Where stockists propose obtaining services of other agencies for inspection/quality assurance, approval accorded to them by MOD must accompany tender documents. Tender offers will not be considered if they are late or if documents as prescribed are not enclosed.

CORRESPONDENCE/COMMUNICATION WILL BE DIRECT WITH THIS OFFICE IN INDIA AND NOT THROUGH ANY INDIAN AGENTS.

Company Notice

This notice is issued in accordance with the requirements of The International Stock Exchange and has been approved by Morgan Grenfell & Co. Limited, an authorised person under the Financial Services Act 1986.

**WERELDHAVE N.V.**  
(an investment company with variable capital incorporated in the Netherlands)

Holders of ordinary shares of Dfl 20.00 each in Wereldhave N.V. (the "Company") are advised that copies of a letter from the Chairman of the Board of Management of the Company concerning the offer made on behalf of Wereldhave UK Holdings Limited, a wholly owned subsidiary of the Company, for the issued share capital of Peachey Property Corporation plc which it does not already own, together with copies of the offer document, are available for collection up to and including 24th August, 1988 (Saturdays and Sundays excepted) from:

Morgan Grenfell & Co. Limited  
New Issue Department  
72 London Wall  
London EC2M 3SL.

Naberro Nathanson  
50 Stratton Street  
London W1X 5FL.

Registered office: Nassaukade 23, 2514 JZ, The Hague, The Netherlands.

Personal

**PUBLIC SPEAKING**

Training and speech writing by award winning speaker.

First lesson free.  
01 930 2197.

Legal Notice

**West Riding Shirt Co (GB) Limited**

Registered No. 2078014. Name and address of administrative receiver: David John Stokes, Cook Gully, 14 Cross Burgess Street, Sheffield S1 1QA. Office holder number: 025515. Date of appointment: 25 July 1988. Name of appointor: The Barnetley Metropolitan Borough Council.

W Germans in Soviet shoe deal

By David Goodhart in Bonn

KLOECKNER-Werke, the West German steel and capital goods group, has announced a joint venture with one of the Soviet Union's largest shoemakers, Skorochnod of Leningrad.

The deal coincides with a renewed effort by the Government of both countries to forge closer economic links. Trade between West Germany and the eastern bloc has been stagnating in the last few years, mainly because of lack of spare cash in the eastern bloc, and joint ventures remain rare.

Under the terms of the Kloeckner deal, a new company, called Deskor, will be established in the Soviet Union 70 per cent owned by Skorochnod and 30 per cent by Kloeckner-Ferrometall Desmar. The latter is a Kloeckner-Werke subsidiary based in Bremen which specialises in shoe manufacturing technology.

Neither party to the deal was prepared to reveal any financial details. But the deal has clearly been carefully prepared and the two companies have had a relationship going back to 1984.

Skorochnod has been borrowing German technical expertise to improve shoe quality, and the German company, which employs 2,800 workers in five plants, hopes to have opened an expanding market for its machines.

Sweden set to curb Japan cars

By Sara Webb in Stockholm

SWEDEN'S FOREIGN Trade Ministry said yesterday that it hopes to see an end to "the excessive development" of Japanese car exports to the Swedish market, following signs from Tokyo that the car industry is willing to limit sales to Sweden.

The issue of the alarming surge in Japanese car exports will be taken up again this autumn when officials from Japan's Ministry of International Trade and Industry and its Foreign Ministry are expected to visit Stockholm for further trade talks.

Nihon Keizai, the Japanese economic newspaper, reported recently that the Japanese car industry has decided to limit its exports to Sweden and hold them at 1987 levels.

Swedish officials claim that Japanese manufacturers have been targeting the Swedish market because of monitoring arrangements and restrictions in other parts of Europe.

The number of Japanese car registrations in the Swedish market soared by 80 per cent in the first quarter of 1988 and showed a 50 per cent rise in the first half year, causing considerable alarm at the Swedish Foreign Trade Ministry and from both Volvo and Saab-Scania, the Swedish automotive manufacturers.

Japanese car manufacturers have increased their market share in Sweden from 16 per cent in 1985 to 22 per cent in 1987, while the domestic car industry has witnessed a decline in market share from 33 per cent to 28 per cent in the same period.

"Our figures showed that exports and growth of market share had not paralleled in other markets - the rapid increase is a result of a lesser-beaming of Japanese exports to the Swedish market because of restrictions in other European markets," said Mr Lars Stalberg, assistant under-secretary at the Foreign Trade Ministry.

He said Swedish trade officials had "won an understanding on the Japanese side to follow the developments and avoid disruption in the Swedish market" when the two sides met in April, but that Sweden had not specifically requested restraints on exports. "Any change will take time," he added.

Boat telephones for Caribbean

By Hugo Dixon

BOAT-OWNERS will be able to make phone calls while travelling around the Caribbean, as a result of a venture announced yesterday by Cable & Wireless, the UK-based international telecommunications company.

C&W, which provides telecommunications services in 14 Caribbean countries, has set up a company called Boat-Phone Marketing, in which it has a 51 per cent stake. Caribbean Cellular Telephone, which already runs a mobile phone service in the British Virgin Islands, will own 49 per cent.

The new service will work on cellular technology. A radio station will be placed on each island and, when a boat moves out of range of a signal from one island, it will be handed over automatically to the next.

Although people on land will eventually be able to use the mobile phone service, it will be targeted initially at the maritime community, particularly cruisers and yachts.

C&W said that many boats come to the Caribbean from the US already equipped with cellular phones. They would be able to use the new service, because Boat-Phone would use standard US cellular equipment.

The service is planned to cover the following countries: Anguilla, Antigua, Barbados, British Virgin Islands, Cayman Islands, Dominica, Grenada, Jamaica, Montserrat, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Trinidad and Tobago, and Turks and Caicos Islands.

HK video clampdown

THE HONG KONG authorities are mounting a major clampdown on the colony's thriving trade in pirated video tapes and computer software, in a series of raids by customs officers. Our Hong Kong Correspondent writes.

The first raid came on Sunday, and was centred on the shopping arcade well-known locally for its wide range of pirated software selling for a fraction of the cost of the genuine article.

Swoops on the arcade have become increasingly common over the past year, and this time several thousand copies of music and diskettes were taken away by customs officers.

This operation was followed, on Monday by a co-ordinated series of raids on 16 shops throughout the territory.

**DAEWOO**

**Daewoo Heavy Industries Ltd.**  
(Incorporated in the Republic of Korea with limited liability)

**US\$40,000,000**  
3 per cent. Convertible Bonds 2001

**NOTICE OF CONVERSION PRICE ADJUSTMENT**

Notice is hereby given to the holders of 3 per cent. Convertible bonds 2001 of Daewoo Heavy Industries Ltd. that in accordance with the terms of the trust deed dated 23rd May, 1986, the conversion price was decreased from Korean Won 14,792 to Korean Won 12,471 per share effective 16th July, 1988. This adjustment had resulted from the issue of new shares, on which the details were published in 'Financial Times' dated 1st July, 1988.

**Daewoo Heavy Industries Ltd.**

**5th TEST MATCH NEWS**  
SCORE AND SUMMARY OF PLAY

**OVAL TEST**  
4-9 August

The best all-round service delivered by cricket correspondent, Dominic Allan, and Surrey and England cricketer, Graham Roope - continuously updated (every 15 mins). From 11am till close of play.

**FT CITYLINE SPORT**  
0898-123062

Calls are charged at 30p per minute (peak and standard rates) 25p per minute (other rates) including VAT.



AMERICAN NEWS

US indicators show economy still expanding

By Lionel Barber in Washington and Janet Bush in New York

THE index of leading indicators, the US Government's main barometer of future growth, rose 1.4 per cent in June. The figures, enhanced by June's factory orders which showed a 5.5 per cent increase - the largest rise since December 1970 - confirmed that the economy was still expanding at a healthy rate.

Thrift policy 'must be given more time'

By Anatole Kaletsky in New York

THE Reagan Administration yesterday urged Congress to ignore calls for more energetic action to refinance the nation's collapsing savings and loan industry, arguing that the Federal Home Loan Bank Board's gradualist approach to weeding out the most insolvent thrift institutions should be given time to work.

Vassiliou shows optimism on Cyprus talks

By Andreas Hadjipapas in Washington

PRESIDENT George Vassiliou of Cyprus said yesterday the omens were good for a negotiated settlement of the Cyprus problem.

Democrats divided over further aid for Contras

By Lionel Barber

CONGRESSIONAL Democrats yesterday continued to wrestle over a new aid package for the Nicaraguan Contra rebels, an issue which divides their party and their newly-forged presidential ticket.

Alfonsin attempts to revive his withered laurels

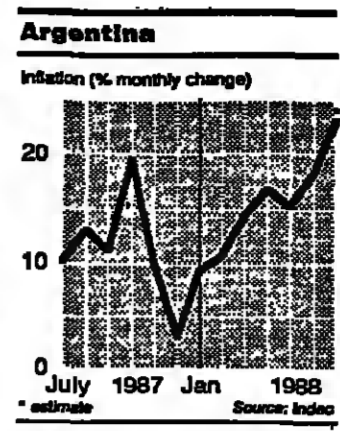
Stephen Fidler and Gary Mead report on a belated effort to cure Argentina's economic problems

ONE of Argentina's most popular television programmes is a US import depicting the daily life of an American family invaded by a small, ugly creature from outer space called AL. Alf is always coming coming up with bizarre schemes which go wildly wrong, to general hilarity for the audience but to the chagrin of his tolerant family.

Table with 7 columns: Country, 1982, 1983, 1984, 1985, 1986, 1987. Rows include Latin America, Argentina, Brazil, Chile, Mexico, Venezuela.

ing the debacle of the Falklands invasion in 1982. But Mr Alfonsin knows his laurels have withered. There will be those, particularly outside the country, who will argue that the new economic austerity package does not do enough to attack the chaotic fiscal system which is the main cause of the country's problems.

continued to work overtime, driven by the fear of what would happen to shaky provincial banks if they were denied access to the central banks' discount window.



Argentina's former president, determined that Argentina would have a form of national socialism in which the state would own and run all major - and a number of minor - industries.

With the elections holding out the prospect for populist Peronist rule in Argentina once more, those who are betting on a successful resolution to the problem within the context of the conventional approach to the debt crisis are in a minority.

already crippled plans to privatise the public sector. Together, these two sectors are already planning their future relations with the politician who now claims to be the most popular man in Argentina.

Large advertisement header: 'Now who's the main contender for your PC business?' with a background image of Commodore computers.

Main Commodore advertisement body. Text includes: 'Is that a towel the competition are just about to throw into the ring?', 'That's a saving of over £50 on the next best price.', 'From here you have a choice of over 20 different possibilities ranging up to £3,999 for the highly sophisticated PC60-40.', 'A strong, well-developed range', 'Whatever it is you need from a PC - simple word processing, serious database or presentation documents - they really pack a punch - there is a business computer in the Commodore range that is exactly right for you.', 'Fighting talk on prices', 'Every single machine in the Commodore range now has that extra edge.', 'Commodore logo and name', 'Recommended retail prices including mono monitor exclusive of VAT. PC1 single drive XT £315. PC10 single drive XT £549. PC10 dual drive XT £679. PC20 hard disk drive XT £999. PC40 single drive AT £1399. PC40 hard disk drive AT £2249. PC60/40 hard disk drive 80386 £3999. Colour display and enhanced colour display available.'



UK NEWS

# Kinnock sounds warning on higher interest rates

By Ivor Owen

MR NEIL KINNOCK, the Labour leader, yesterday accused Mrs Margaret Thatcher, the Prime Minister, of creating a situation in which there could be a return to the high interest rates and overvalued pound experienced in 1980 and which led to a 20 per cent reduction in Britain's manufacturing base.

In a statement issued at Westminster he contrasted the recent intervention by the Bank of England to stem the rise in the sterling exchange rate with her earlier statements opposing such action.

Mr Kinnock recalled that in March Mrs Thatcher had said: "There is no way one can buck the market." He added: "So instead the market has bucked her - and even worse has bucked Britain."

Arguing that earlier intervention would have been more effective, he said: "The speculators would have seen that the

Bank and the Government were determined to prevent the rise in the exchange rate and turned their attention elsewhere."

Mr Kinnock maintained that the market would have calmed four months ago if the Government had been willing to make clear its resolve to act early and firmly to stabilise the exchange rate and give priority to the competitiveness of British producers and exporters.

Instead, the Prime Minister and Mr Nigel Lawson, the Chancellor of the Exchequer, had been "locked in a theological dispute" followed by an interest rate see-saw.

Mr Kinnock claimed that the latest developments had stemmed from the Prime Minister putting the Chancellor on the head "so showing the markets that he has come to heel and they can safely speculate because she does not mind how high interest rates and, there-

fore, exchange rates, go".

He emphasised that the balance of payments deficit, interest rates and inflation were all rising. While the speculators and foreign competitors were gaining, British taxpayers, home buyers and producers were losing.

Questioning whose side the Prime Minister was on, Mr Kinnock said: "She might claim to be battling for Britain on her trip abroad, but she is battering Britain with her policies at home."

In a parallel move Mr Gordon Brown, Labour's shadow chief secretary to the Treasury, wrote to Mr Lawson saying that yesterday's figures showing a rise in UK reserves last month did not show the extent of intervention.

He urged him to follow the advice of the cross-party Treasury and Civil Service Committee and reveal the cost of such intervention.

# Rothschild named as advisers on water sale

By John Hunt

N M ROTHSCHILD and Sons, the merchant bank, has been appointed to advise the Water Authorities Association on the privatisation of the water industry in succession to Kleinwort Benson, which withdrew recently because of a conflict of interest.

Kleinwort dropped out because it was also advising the Government on the sale of the electricity supply industry. The two privatisation bills, on water and electricity, will be going through Parliament next session and the bank decided it could not advise on both.

Rothschild, too, is heavily involved in electricity privatisation but does not face the same conflict of interest. It is advising the 12 area electricity boards that will distribute power, unlike Kleinwort which was advising the Government on the electricity sell-off.

Nevertheless, Rothschild will still face the difficult task of handling the two huge simultaneous privatisations.

The difficulty may be eased, however, as the Government is now considering putting the water privatisation bill through Parliament first and allowing a short "breathing space" before proceeding with electricity. A final decision will be made on this before the House of Commons and House of Lords resume in the autumn.

A spokesman for the Water Authorities Association, which represents the 10 authorities of England and Wales, said it was satisfied that there was no conflict of interest.

It is clear that Rothschild's extensive experience in privatisation weighed heavily in its appointment by the WAA against competition from other merchant banks. It was involved in the privatisation of British Gas, Rolls-Royce and the controversial BP privatisation.

The company has two strong teams in place to tackle the two privatisations and their work will be co-ordinated by Mr Michael Richardson, its head of corporate finance.

The immediate task will be to advise on the restructuring of the water authorities and on regulatory matters as the Government's legislation emerges.

# Atomic energy body seeks new technology role in Europe

By David Fishlock, Science Editor

A NEW role for the UK Atomic Energy Authority as Europe's most powerful research and technology organisation has been forecast by Mr John Collier, its chairman.

Mr Collier, questioned about government plans to end its £300m fast reactor programme, said it would be entering new European markets under the banner of AEA Technology.

But he also held out hopes that its 250MW fast reactor at Dounreay, Caithness, in the north of Scotland, might survive until the late-1990s, instead of closing in 1993 as the Government announced last month.

If a better tariff for electricity from the reactor could be negotiated with the privatised Scottish electricity industry, it might be possible to keep it running until 1998-2000, he said.

A doubling of the present tariff of about 1.45p a kilowatt-hour would allow the authority to run FFR on a self-supporting



John Collier: emphasis on non-nuclear markets

basis, said Dr Brian Ayres, board member for research programmes.

Mr Collier, presenting the authority's annual report, said he gave highest priority to ending its "over-dependence" on

the electro-nuclear industry, and to opening new non-nuclear markets in Britain and abroad.

Its non-nuclear business, growing at 10 per cent a year, had to grow faster. Any company with technical problems "would be mad not to consult the largest research and development organisation in Europe," he said.

Its activities for the petroleum industry earned £7m last year, Mr Collier said. Defence, pharmaceuticals and process engineering were other non-nuclear activities in which it was already involved.

"Among our less publicised skills, we can carbon-date ancient relics, cut a suit using laser beams and dry out antique books without destroying their delicate paper," he claimed.

With the nuclear demands on its time diminishing, these skills were becoming available to overseas as well as UK industries.

# Anglican leaders vote for women bishops

Financial Times Reporter

ANGLICAN CHURCH leaders have supported the consecration of women bishops by a decisive majority.

The decision by 423 votes to 28 at the 10-yearly Lambeth Conference, means that autonomous Anglican provinces around the world may appoint women bishops if they wish. But no part of the church is obliged to have women bishops - and both sides in the argument raging among the clergy have been told to respect each other's standpoints.

Dr Robert Runcie, the Archbishop of Canterbury, is to set up a commission to oversee and monitor the appointment of women bishops. The subject has dominated the first two weeks of the meeting of church leaders at the University of Kent at Canterbury.

Strong opposition to the concept of women bishops continues within the church, however. It comes mainly from Bishop of London, Dr Graham Leonard, who insisted that he would never accept a woman bishop. "I would not be able to accept her having normal episcopal qualification," he said.

Dr Runcie said: "The final reception of this as a custom within our church, as a tradition in our church, will wait upon its general acceptance - and obviously that does not happen in a moment."

The controversy over the role of women was heightened because of the American church's wish to consecrate the world's first woman bishop next month.

# GEC-Plessey wins £18m System-X deal

By Hugo Dixon

A CONTRACT worth more than £18m has been won by GEC Plessey Telecommunications, the leading UK telecommunications manufacturer, to supply its System-X digital exchanges to Kenya.

This is the largest export order yet for the exchanges, and the first since GPT was formed in April, out of a merger of GEC and Plessey telecommunications operations.

Both parties to the merger had previously manufactured and marketed System-X exchanges separately, the main rationale for the merger being to remove this duplication.

The contract involves supplying the Kenya Posts and Telecommunications Corporation with 16 System-X exchanges providing 78,000 exchange lines, as part of the country's modernisation programme. It includes the supply of computer-based operator services for each exchange.

Kenya has previously bought 100 of GPT's smaller UXDs exchanges.

# Contractors wary of local services plan

By Michael Smith

THE GOVERNMENT'S plan to improve the efficiency of local government services through compulsory competitive tendering received a setback yesterday when two of Britain's biggest contract caterers indicated they would be highly selective in choosing the authorities they would compete against.

Sutcliffe, a subsidiary of the P & O Group with annual turnover of £200m, announced that its strategy would usually be to work in partnership with local authorities to help them win work for their in-house services. Only rarely would it make competitive bids of its own.

Gardner Merchant, Britain's biggest catering contractor and a subsidiary of Trusthouse Forte, said it would only put in tenders for work where authorities were actively seeking change. Mr Gary Hawkes, chairman, said his company would "not go anywhere near" councils, such as Sheffield, which were hostile to the idea of privatising services.

Under compulsory competitive tendering, due to be introduced in stages from August next year, councils will be required to allow private companies to bid for contracts to run services including street cleaning, refuse collection, catering and leisure management. Catering is thought to be one of areas most likely to be privatised.

The Government intends to use tendering to shake up what it sees as complacent councils, many of them left-wing, into reducing costs. In one sense, its aims are already being achieved as authorities tighten up operations to ensure they are able to compete effectively.

Nevertheless, Sutcliffe's statement means that a major potential source of competition for in-house council catering services will be effectively removed. Gardner Merchant's stance means that left-wing councils, the main target of the Government's strategy, will often be able to ignore another potential bidder.

# BTG almost doubles profits

By David Fishlock, Science Editor

A RETURN to healthy profitability is reported by the British Technology Group, the state-owned agency for technology transfer, following a year in which unexpected setbacks had reduced earnings.

BTG also reports that Toshiba, the biggest Japanese maker of nuclear magnetic resonance (NMR) medical scanners, has agreed to pay it royalties on the use of British patents, following earlier agreements with General Electric of the US and Hitachi.

BTG is being investigated by

Coopers & Lybrand, on behalf of the Department of Trade and Industry, as a potential candidate for privatisation.

"Business as a whole is still progressing well," said Mr Colin Barker, BTG chairman, presenting his annual report. Pre-tax profits almost doubled to £2.2m last year, on total revenues from licensing and industrial projects of £21.4m. BTG also doubled the revenue shared with its inventors to £3.18m - mostly drawn from the portfolio of NMR patents.

However, Mr Barker warned

that these patents are valid for only another five or six years. BTG still has hopes of persuading Siemens and Philips in Europe to pay royalties on their sales of NMR scanners.

About 50 out of the Group's 500 or so ongoing projects are identified as potential money-spinners for the 1990s. They included an anti-anxiety drug licensed to G. D. Searle, a US group, now part of Monsanto, and machinery which it hopes will be the next major development in grain harvesting.

# Political boundaries set for review

By Peter Riddell, Political Editor

THE SHAPE of England's parliamentary constituencies, each of which returns its own member to Westminster, is likely to be reviewed shortly after the next general election, sooner than had been expected.

The regular reviews of parliamentary boundaries have considerable electoral and political significance, reflecting as they do a long term shift of

population away from inner city areas - generally strongholds of Labour Party support - to the Conservative suburbs and rural towns.

Just before Parliament rose for the summer recess, Mr Douglas Hurd, the Home Secretary, announced that the Parliamentary Boundary Commission for England was obliged to report between February 1,

1993, and January 31, 1998. The exact timing and conduct of any review is a matter for the commission.

However, he added, "I understand that, at present, the commission hopes to submit a report to me as early as it can within the statutory period."

This implies a report in the life of the next parliament, which could last from 1991-92,

until 1995-97, depending on the timing of general elections.

The last review, in 1983, is estimated to have cost Labour 15 to 20 seats in the House of Commons, through elimination of small inner city constituencies and the creation of suburban and rural ones. The changes could be smaller next time, but are still likely to be adverse for Labour.

PRICE WATERHOUSE and the FINANCIAL TIMES CONFERENCE ORGANISATION present:

# CAPITAL MARKETS WORKSHOP

12-14 SEPTEMBER - 17-19 OCTOBER  
7-9 NOVEMBER - 7-9 DECEMBER

The risks involved in trading often complex instruments in the capital markets are very clear and the events of last Autumn make the problems even more immediate. In these workshops a panel of Price Waterhouse and banking industry experts examines the risks and explains how they can be managed successfully. Speakers will be drawn from a panel including:

Jonathan Britton Finance Director Swiss Bank Corporation International Ltd	John Forsyth Director Morgan Grenfell & Co Limited
Graham Ginnister General Manager, Treasury Nomura Bank International plc	Paul Hensbury-Watson Assistant Manager Baring Brothers & Co Limited
Kevin Lee Assistant Director, Treasury and Trading Group Baring Brothers & Co Limited	Michael Harnapp Assistant Director Baring Brothers & Co Limited
Bob Fuller Director, Capital Markets Charterhouse Bank Limited	Richard Wilby Managing Director, Capital Markets Charterhouse Bank Limited

Price Waterhouse

FT FINANCIAL TIMES CONFERENCE ORGANISATION

To: Financial Times Conference Organisation, 126 Jermyn Street, London SW1Y 4JL Tel: 01-925 2323 Telex: 27347 FTCONF G Fax: 01-925 2125

Please send me further details on the Capital Markets Workshop

NAME \_\_\_\_\_

POSITION \_\_\_\_\_

COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

TEL \_\_\_\_\_ TEL \_\_\_\_\_

TYPE OF BUSINESS \_\_\_\_\_

# THE NETHERLANDS

The Financial Times proposes to publish this survey on:

## 10th October 1988

For a full editorial synopsis and advertisement details, please contact:

**Richard Willis**  
Amsterdam  
23 94 30/22 56 68

or write to him at:

Financial Times  
(Benelux) Ltd  
Herengracht 472, 1017 CA  
Amsterdam

FINANCIAL TIMES  
(LONDON'S BUSINESS NETWORK)

# Commercial Aviation to the End of the Century

The accelerating pace of expansion in commercial aviation worldwide and the impact this will have on all the existing facilities for the rest of this century will be the subject of the Financial Times latest conference to be held in London on 30, 31 August & 1 September, 1988 just before the Farnborough International Air Show.

Speakers will include:

- ..Jan van Bakkum...Selwyn Berson...Frederick W Bradley Jr....
- ..The Lord Brabazon of Tara...Eugene Buckley...
- ..Jack Cunningham...Dato Abdul Aziz Abdul Rahman....
- ..Günter Eser...Sydney Gillibrand....John Hayhurst....
- ..Stuart Iddles...Lee Kapor....Jeff Marsh....
- ..Sir Colin Marshall...Jeremy Marshall...Roy McNulty....
- ..Jean-Robert Reznik...Phil Ruffles....Heinz Ruhnau....
- ..Matthew Scocozza...Alan Snudden....Max Taylor....
- ..Gil Thompson...Ronald Woodard....Jim Worsham....

Financial Times Conference Organisation  
126 Jermyn Street, London SW1Y 4JL  
Tel: 01-925 2323. Telex: 27347 FTCONF G. Fax: 01-925 2125

Name \_\_\_\_\_

Title \_\_\_\_\_

Company/Organisation \_\_\_\_\_

Address \_\_\_\_\_

Country \_\_\_\_\_

Tel \_\_\_\_\_ Tlx \_\_\_\_\_

Type of Business \_\_\_\_\_

FT A FINANCIAL TIMES INTERNATIONAL CONFERENCE



# Foreign earnings by institutions drop 5 per cent

By Ralph Atkins, Economics Staff

THE OVERSEAS earnings of institutions in the City of London fell by 5 per cent last year, according to Central Statistical Office figures released yesterday.

The drop, which followed seven successive years of growth, was mainly a result of a fall in the overseas earnings of UK banks.

However, total City earnings from abroad were still more than 1 1/2 times greater than in 1983, and more than five times larger than in 1979.

Overseas earnings amounted to £2.6bn in 1987, of which £4.8bn was accounted for by the insurance sector and £1.4bn by banking institutions.

The figures, compiled once a year by the CSO, cover identified earnings of institutions defined as being part of the City of London.

They include the earnings of securities dealers, unit trusts, pension funds, commodity traders and export houses as well as banks and insurance companies.

The fall is likely to be interpreted as of some concern for the Government because overseas earnings from the City help to pay for imports of goods and services into the UK.

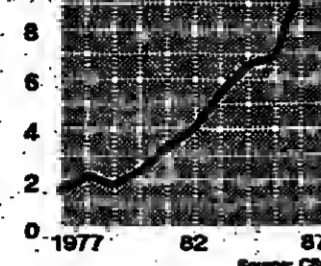
However, the Treasury said recent years had seen substantial growth while the latest figures largely reflected a pause in one area.

The fall in bank earnings resulted mainly from a decrease in net interest paid abroad by the sector. This rose from £1.1bn in 1986 to £2.8bn in 1987.

This is probably explained by smaller margins on lending - perhaps reflecting stronger competition. Earnings of the sector could also have been affected by provision for Third World debt.

UK banks saw a small fall in portfolio investment income last year but earnings from

## Overseas earnings of the City



services continued to grow. Overseas affiliates of UK banks and affiliates of overseas banks based in the UK both saw a marked decrease in earnings.

The CSO said the figures are unlikely to have been dramatically affected by October's stockmarket crash. The fall in share prices would not have affected interest payments and brokers' commissions may even have been boosted by the high turnover in the immediate aftermath of the crash.

Among insurance companies, the figures show £2.5bn was earned from abroad from underwriting last year - little changed from 1986. Overseas earnings of subsidiaries of UK insurance companies were slightly above their 1986 level.

There was a marked rise in earnings from brokerage by City institutions - from £824m in 1986 to £880m in 1987. This includes estimates of brokerage commissions of securities dealers.

However, reliable estimates of the remainder of securities dealers' earnings were not available. The CSO said arrangements for a comprehensive system of statistical reporting by securities dealers are being discussed by the Bank of England and the securities industry.

# Way clear for early privatisation of steel

By Nick Garnett

BRITISH Steel Corporation will become British Steel plc from September 5 as part of the legislative changes leading to the flotation of the business, almost certainly in November.

The British Steel Act enabling this to happen received royal assent at the end of last week and the Government announced yesterday the date for formally transferring the corporation into a public limited company.

The Crown will continue to hold all the shares in the business until flotation when the corporation will be privatised under the British Steel name.

"The corporation's recent record profits of £40m for the last financial year show that it is now ready to stand on its own feet in the private sector," Lord Young, the Trade and Industry Secretary said.

"The way is now clear to proceed to privatisation as soon as practicable."

Satchi and Satchi was chosen last week out of a list of six companies as the advertising agency for the flotation. The flotation's advertising budget will be between £5m and £10m.

The flotation is expected to raise between £23m and £25m.

# Nottingham City Technology College spearheads education reform

## Hard work, no play at city school

By David Thomas, Education Correspondent

ONE OF BRITAIN'S most innovative schools is planning to abolish summer holidays.

The idea is the brainchild of the Nottingham City Technology College, one of a series of colleges being set up jointly by the Government and industry as part of a new initiative to raise educational standards in the inner cities.

They will be non-fee-paying secondary schools, designed for children with a talent for science and technology. Private companies will cover part of their capital costs and be heavily involved in running the colleges.

Nottingham college, due to open next year, had already disclosed its interest in a no-

strike, single union deal with its employees, which would be the first in Britain's schools. It has now agreed a further raft of measures taking it more deeply into unchartered waters.

Out goes the three-term year: Nottingham will have four terms. Out too goes the long summer holiday. Nottingham's four terms will each be separated by a two-week break. The customary holiday in the middle of each term is also likely to disappear.

The college's pupils will be expected to work hard. There will be a 47 1/2-hour week for pupils aged over 15, who will work from 8am to 5.30pm, five days a week. The younger chil-

dren will work shorter hours, but all will go home to compulsory homework of up to two hours.

Nottingham's structure and curriculum will be unfamiliar too. It will include a centre for industrial studies, which Mr John Ramsden, its project director, hopes to staff with secondees from local industry, believing that areas such as careers advice and vocational training are best handled by people with fresh experience.

Staff recruited so far include the deputy head, who will also be known as the director of finance and administration, and a faculty head, one of whose main jobs will be to oversee links with industry.

Free to determine its own pay arrangements, the college has abandoned the complex salary scales which apply in other state schools. Every teacher who does the same job will be paid the same, although a merit pay scheme modelled on industrial practice may be introduced later.

Nottingham will pay its teachers slightly above the going rate - Mr Ramsden said it would offer £19,250 for a faculty head, compared with £18,250 in a secondary school of similar size. But it will expect them to work harder - to cope with the longer hours and shorter holidays. "That's another mould we've broken," said Mr Ramsden.

# Submarine peace offer rejected by unions

By Michael Smith

SHOP stewards at VSEL, the submarine building yard, yesterday rejected decisively a peace formula put forward by the company to end a seven-week strike at its main Barrow in Furness yard.

A meeting of the union officials voted by 380 to 13 against accepting the company's offer of introducing fixed summer holidays over three years, rather than in 1989 as it had originally proposed.

The decision flew in the face of a recommendation from the national Shipbuilding Negotiating Committee, which is part of the Confederation of Shipbuilding and Engineering Unions and took part in discussions between unions and management last week, that the VSEL package be accepted.

The conflicting advice will be considered this morning by a mass meeting of workers.

VSEL proposals would mean each worker being given a one-off payment of £200 together with two days' extra pay in 1990 and three days' in 1991 and thereafter. In return they would agree to a one-week fixed summer holiday in 1990 and two weeks in 1991 and thereafter.

# Electricians win single union railway deal

By Philip Bassett, Labour Editor

WORKERS on the recently-opened London's Docklands Light Railway have narrowly voted in favour of single-union representation by the EETPU electricians' union - instead of the traditional unions for the railway industry.

A count yesterday by the Independent Electoral Reform Society showed that employees on the rapid transit railway,

which connects the fast-growing Docklands area to the main London Underground network, have voted by 43 votes to 39 in favour of the EETPU against a consortium of the NUR, Aslef and TSSA rail unions.

It is the first time in recent British industrial relations that employees, rather than employers, have chosen between two unions on offer to them.

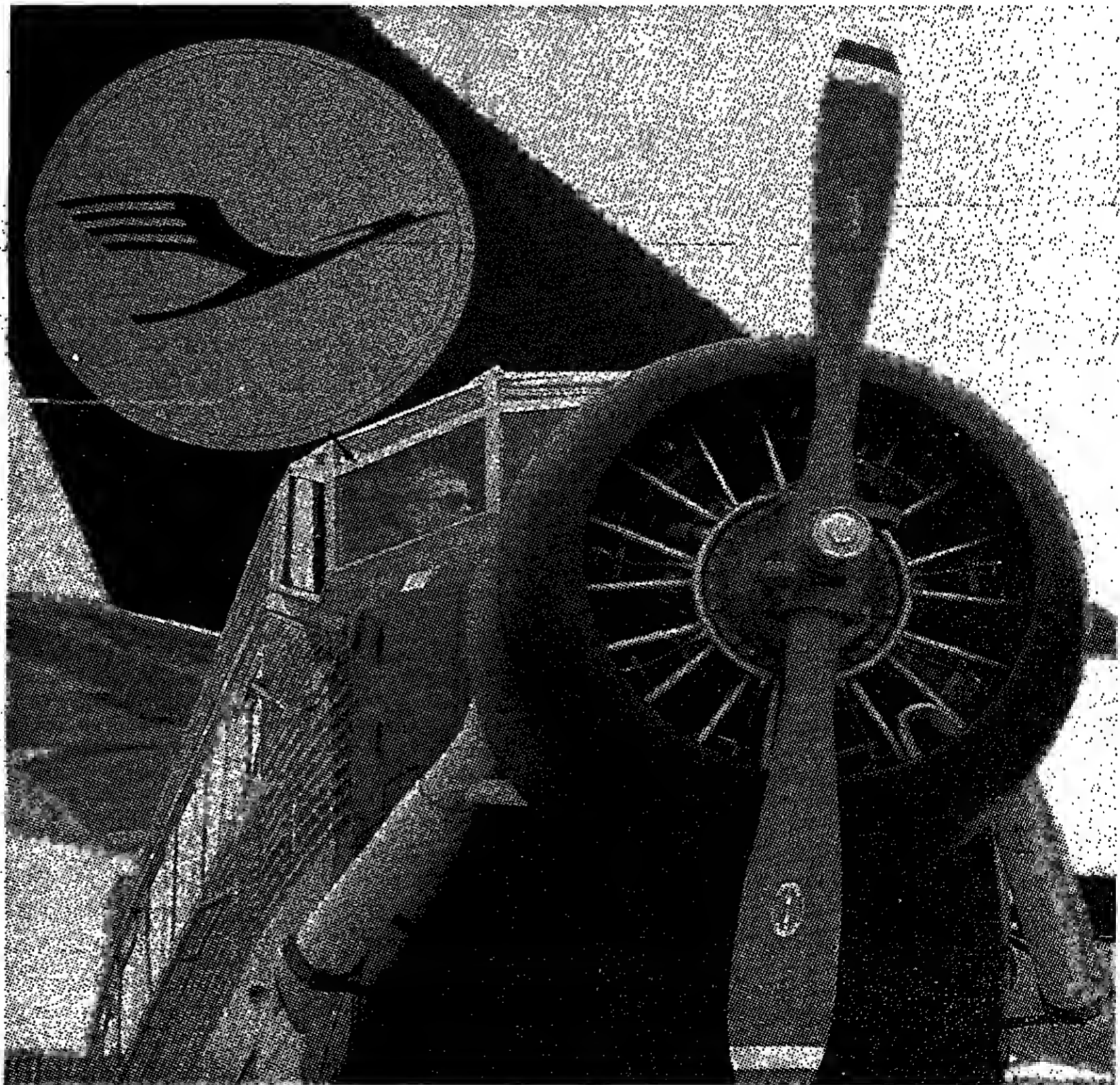
It is also the first real test of recognition between competing unions since the EETPU was suspended from the Trades Union Congress for refusing to withdraw from two of its controversial single-union, strike-free deals.

EETPU leaders said that the vote had been influenced by the dispute between the union and the TUC, which looks

likely to lead to the EETPU's expulsion at the TUC Congress next month.

The DLR's employee arrangements are not wholly in line with the EETPU's other single-union deals, but some of their main features - only one union being recognised, and a company council which reaches agreement on pay and conditions - closely follow those of similar EETPU deals.

# Aviation history and Lufthansa grew up together.



# Bank plans £750m auction of gilts

By Ralph Atkins, Economics Staff

THE BANK of England yesterday announced the issue, by auction, of £750m of short-dated gilt-edged stock.

The issue follows three experimental auctions since May last year. It will cover an additional tranche of existing 5 1/2 per cent Treasury stock due for redemption in 1994 and will be partly paid for by the issue.

The size of the issue is slightly smaller than expected by most analysts and is thought to reflect the buoyancy of government finances, which has reduced the need for large borrowing. The Bank of England has said it expects to hold another auction of up to £1bn of stock early next year.

The latest issue is thought to

have been timed largely at building confidence, which, after the collapse of cash stocks, October's stock market crash. The issue is not free of tax for non-residents, which would have made it more attractive to overseas buyers.

The auction will take place on August 11. A balance of £50 for every £100 of stock will be payable on September 13. Dealing started yesterday on a "when issued" basis, with buyers settling the day after the auction.

Reaction to the announcement was modest, with some uncertainty about who would buy the stock. By the end of the afternoon it was trading below its peak of the day although higher than existing stock of the same type because of the advantages of its being partly paid.

The stock closed at 244, giving a yield to redemption of 3.95 per cent.

Mr John Shepperd, economist at Warburg Securities, said there was some concern within the market about demand for the stock. "There is going to be some degree of nervousness before the auction itself," he said.

The auction announcement includes some minor changes to bidding procedures: Professional investors can bid in thirty-seconds-of-a-pound (the way in which prices are quoted in the market) and the Bank has increased the minimum permissible bid to £100,000 from £1,000.

**HEATHROW PASSENGERS LOBBY**

**NILFISK**

THE WORLD'S LARGEST MANUFACTURERS OF INDUSTRIAL AND COMMERCIAL VACUUM CLEANERS

Buy in Bulk, Supply 1973 122

Telephone: 01-754-1000 (0207) 75505

**Frankfurt**

(069) 7598-101

now for details.

**The Carlyle Hotel**

Discerning visitors to New York select The Carlyle, one block from Central Park, for its consistent excellence. The solicitous staff is ever eager to please. Each guest room has a Monitor TV, VCR and Stereo.

A proud recipient of the Mobil Five-Star Award for 20 consecutive years.

Member of The Shipp Group since 1957

Madison Avenue at 70th Street  
New York 10021  
Cable The Carlyle New York  
Telex 639992  
Telephone 212-764-1000  
FAX 212-717-4822





**JOBS**

**How living costs vary around the world**

By Michael Dixon

FROM the Jobs column's viewpoint, a good many of you readers seem to be globe-trotters if not flibbertigibbets. Hardly a week goes by without one or two folk calling to say they have been offered a move from Nasty (Hertfordshire) to El Dorado, or something such, and wonder how much pay they would need in the new location to preserve their accustomed style of life.

That is always an extremely complex question because the answer depends on so many factors. Small variances — even a relatively few miles in a large country, for instance — can make a notable difference. So does time, of course. While many organisations compile measures of worldwide living costs, by the time they published the information on which they are based tends to be out of date.

Nevertheless today I am offering comparative figures on such costs in a range of places, which readers will be able to update to give at least a rough gauge of differences for a fair time to come. The figures, shown in the table up there to the right, are drawn from the P-E Inbucon management consultancy's latest survey of international variations in costs of living. All I have room for here is but a minuscule extract from the full report. Anyone wishing to know more should contact Penny Bunting

Place	Living cost index	Inflation %	Exchange rate £1 =	Place	Living cost index	Inflation %	Exchange rate £1 =	Place	Living cost index	Inflation %	Exchange rate £1 =
Japan, Tokyo	183.9	1.2	234.25	UK, London	100.0	3.3	1.00	Cyprus, Nicosia	82.4	5.4	0.84
Bulgaria, Sofia	147.8	8.2	1.47	Oatar, Doha	98.8	8.0	6.84	Indonesia, Jakarta	80.9	14.5	3,121.41
Romania, Bucharest	131.4	4.8	14.78	Spain, Madrid	98.8	4.3	208.40	Hong Kong, Victoria	80.8	6.3	14.70
Norway, Oslo	128.8	7.0	11.78	Bahamas, Nassau	93.5	6.3	1.89	Portugal, Lisbon	78.7	8.9	258.70
Finland, Helsinki	123.8	4.1	7.52	Luxembourg	93.0	0.8	65.35	Tunisia, Tunis	78.1	11.5	1.53
Switzerland, Zurich	123.4	1.7	2.58	Jordan, Amman	92.5	5.0	0.63	Kenya, Nairobi	77.3	12.0	31.85
Denmark, Copenhagen	117.7	4.3	11.94	US, Los Angeles	92.3	3.9	1.89	Malaysia, K Lumpur	77.3	3.0	4.53
Sweden, Stockholm	118.9	5.2	11.00	Jordan, P of Spain	91.0	12.1	6.77	Morocco, Casablanca	75.2	10.0	14.79
Libya, Tripoli	115.8	9.0	0.52	US, New York	90.6	3.9	1.89	Thailand, Bangkok	74.4	3.6	48.00
S Yamen, Aden	111.3	8.0	0.65	Oman, Muscat	90.4	5.0	0.72	China, Beijing	73.7	10.0	6.86
Iraq, Baghdad	110.1	13.0	0.98	UAE, Abu Dhabi	89.2	5.0	6.92	Panama, Panama C	73.7	3.0	1.89
Taiwan, Taipei	110.0	2.5	53.63	Greece, Athens	88.9	14.2	249.10	Philippines, Manila	72.8	5.0	32.10
Austria, Vienna	107.4	1.9	21.94	UAE, Dubai	87.8	2.0	6.92	S Africa, Jo'burg	70.9	14.7	3.99
USSR, Moscow	104.7	7.0	1.09	South Korea, Seoul	86.8	3.2	1,399.90	Sri Lanka, Colombo	70.1	10.2	58.00
Germany, Frankfurt	104.3	1.0	3.13	Singapore	85.8	1.0	3.77	Jamaica, Kingston	69.8	7.5	10.13
France, Paris	103.5	2.4	10.80	Canada, Toronto	85.7	4.0	2.33	Zimbabwe, Harare	68.2	9.3	3.22
Ireland, Dublin	103.0	3.1	1.77	Bahrain, Manama	85.2	2.5	0.71	Pakistan, Karachi	66.9	7.0	33.20
Italy, Milan	101.9	4.9	2,318.00	Kuwait	85.2	1.0	0.51	India, New Delhi	66.0	8.0	25.50
Belgium, Brussels	101.8	1.0	65.35	US, Washington	85.1	3.9	1.89	Botswana, Gaborone	66.0	7.0	3.18
Netherlands, Amst'm	100.8	0.5	3.51	Australia, Sydney	83.8	7.1	2.54	Bolivia, La Paz	64.1	11.0	4.23
Germany, Berlin	100.2	n/a	3.13	Czechoslovakia, Prague	83.6	5.0	15.84	Swaziland, Mbabane	63.0	13.3	3.99
N Yaman, Sana'a	700.0	12.8	19.25	Saudi Arabia, Jeddah	83.2	7.0	7.06	Hungary, Budapest	61.2	10.5	68.56

of the consultancy at Park House, Wick Road, Egham, Surrey TW20 0HW; telephone 0784 34411, fax 0784 37822. A drawback of most living-cost measures available is that they tend to be based on the spending pattern of people of some particular sort. The United States "Washington Index" is tailored specifically to US nationals employed abroad, for example, and the index compiled by the United Nations is patterned on its own staff around the globe. With a view to ironing out some of the variances, P-E Inbucon takes half a dozen

widely used measures and, wherever at least three cities fairly consistent costs for a location, averages them out. The result is an "Index of Indices" this year covering 130 places, of which my table includes 66 ranked from the most to the least expensive. The first column of figures after each place's name gives its living cost index. It is produced by taking the cost in the place concerned of a range of goods and services typically used by expatriate families, and expressing that cost as a percentage of the combined prices of a comparable range of

items in London. Alas, since the question of what is a proper standard for house prices is much like "how long is a piece of string?", no account is taken of them. The following column gives some idea of inflation in the country concerned. The figure cited is in every case the latest annual inflation rate available at the date when the index of indices was compiled: April 1 1988. The table is confined to places with rates below 15 per cent. Hence the absence of Argentina, Brazil, Egypt, Israel, Nigeria, Poland and so on. Next comes the exchange

rate in terms of how much of the particular local currency could be bought for £1 on April 1 1988. In three instances, where more than one rate is quoted, a choice had to be made. The commercial rate has been used for Belgium and South Africa, and the tourist rate for Czechoslovakia. My object in giving those four-month-old exchange rates is to provide the means of adjusting the indices in line with market movements. The adjustment can be made for each place by taking the rate for its currency cited here, dividing it by the rate in force

at the later date, and then multiplying the result by the index number in the table to produce an updated index. Which said, I am left with two regrets. The first is that, in a paper with an increasingly international clientele, I have had to place the index on a specifically UK base. But I'm told that converting the basis to some other currency should still give a tolerable albeit rough idea of relative costs. The second regret is that, having offered a do-it-yourself 66-centre living-cost estimator, I shall probably no longer hear from as many people bound for intriguing places, such as....

**Developer**  
ATHENS, where consultant John Piperogon of the Stedina company wants someone to manage and develop all the corporate client activities of an international bank's operation in Greece. As he may not name his client, he promises to abide by requests not to be identified to the employer at this stage. Candidates must be proven leaders and fluent in Greek, with close knowledge of the local banking culture, as well as international experience. Pay around equivalent of £50,000 in London with car among perks. Inquiries to 29 Michalakopoulou St, 115 28 Athens; tel Athens 7245-541, fax 7249-508.

**Corporate Banking**

We recruit bankers to work in a wide variety of financial institutions. We seek to fill existing vacancies in:

- Corporate Marketing
- Property Finance
- Trade Finance
- Asset Finance

Candidates with 2-3 years' experience in any of these fields should contact Mark Harthorne or Niall Macnaughton on 01-404 5751 or write enclosing full career details to Michael Page City, 39-41 Parker Street, London WC2B 5LH.



International Recruitment Consultants  
London Paris Amsterdam Brussels Sydney

**CORPORATE FINANCE YOUNG SOLICITORS**  
To £30,000 + Benefits

We represent a number of leading merchant/investment banks and stockbrokers whose continued success in the corporate finance field has created additional requirements for high calibre solicitors. Applications are welcomed from candidates, aged mid/late 20s and up to 3 years qualified, who have acquired experience of corporate finance either during articles or since admission. Academic excellence and team/communication skills are essential qualities. Successful candidates can expect involvement with a variety of corporate finance work encompassing such areas as mergers, acquisitions, disposals and flotations. For further details please contact Tim Knight or Alexandra Hartree.

**M&A EXECUTIVES & MANAGERS**  
To £50,000 + Benefits

We are recruiting on behalf of several UK, European and US investment banks and brokers who wish to add to their domestic and cross-border mergers and acquisitions teams. Candidates are likely to be practising corporate financiers or professionally qualified specialists from accounting or legal backgrounds. Likely age range: mid to late 20s. These positions offer excellent prospects for further career development in stimulating and deal-oriented environments. For further details, please contact Joe Reilly, Alexander Smith or Robert Digby on 01-583 0073 (or 01-870 1896 outside office hours).

16-18 NEW BRIDGE STREET, LONDON EC4V 6AU

**BADENOCH & CLARK**  
RECRUITMENT SPECIALISTS

**ASSISTANT MANAGER NORTH AMERICAN MARKETING**  
£30,000 + Benefits

One of the leading UK investment banking groups requires a numerate, highly motivated graduate with three years credit/marketing experience. The successful applicant should be keen to tackle a wide variety of complex credit transactions. Exposure to LBOs and/or North American marketing would be a distinct advantage. This is a responsible management role which offers an attractive remuneration package and the prospect of regular marketing trips to the US.

**UK PENSION FUND MANAGER**  
To £40,000 + Benefits

One of the largest UK institutions seeks an experienced pension fund manager. Interested applicants, probably aged either side of 30, should have at least four years experience of managing funds and making presentations to clients. This represents an excellent opportunity to establish a career with one of the leading investment management companies and the salary package will be tailored to match ability and experience. For a confidential discussion please contact Stuart Clifford, Christopher Lawless or Julian Fox on 01-483 0073 (01-834 1832 outside office hours).

16-18 NEW BRIDGE STREET, LONDON EC4V 6AU

**BADENOCH & CLARK**  
RECRUITMENT SPECIALISTS

**A CAREER IN CAPITAL MARKET'S Graduate Analysts and MBA Associates**

BASED IN LONDON

Morgan Stanley's global Investment Banking Division is one of the major powers in the world's capital markets. Our Capital Markets Services Group services issuers of Debt and Equity, providing a sophisticated marketing capability focussed on an increasingly complex range of products. The Group comprises Market Coverage, Syndicate, Swaps, Product Management and Global Short and Medium-Term Finance. The Equity Group is a leading factor in underwriting new issues of shares, euro-convertibles and debt with equity warrants, and provides advice on equity strategy. We have a continual need for high calibre talent and are looking for people who have an appetite for early responsibility and the personal drive to excel within a professional team.

**ANALYSTS**  
You are an honours graduate in your early 20's, with one or two years' experience in a banking or stockbroking environment. Ideally you have already had considerable exposure to capital markets and/or corporate finance and have demonstrated strong creative and quantitative skills. You are probably fluent in a second European language. At Morgan Stanley International you will be expected to respond to diverse challenges associated with the financial and strategic planning of some of the world's largest corporations, sovereign governments and emerging growth companies.

**ASSOCIATES**  
Those who join the Firm directly as Associates are usually MBAs, although graduates with a minimum of 4 years' relevant experience and who possess the appropriate qualities should also apply. We are particularly looking for people to join the International Equity Group and the Global Short and Medium-Term Finance Group. An in-depth knowledge of capital markets or corporate finance, a creative and analytical mind and demonstrable team leadership abilities are essential attributes. A fluent command of one or more European languages is desirable. Applicants who have these qualities will be given the opportunity to exercise every aspect of their talents in a long-term and rewarding career with the Firm.

In return for your commitment and ability, the Firm offers outstanding career prospects which are matched by exceptional rewards and generous benefits. Please write, enclosing a comprehensive CV, to: Mrs Joanna Williams, Employee Relations Manager, Morgan Stanley International, PO Box 132, Commercial Union Building, 1 Undershaft, Leadenhall Street, London EC3P 3BH.

**MORGAN STANLEY INTERNATIONAL**

**City Lawyers**  
£30-45,000

Our client, a leading international securities house, invites applications from outstanding City lawyers for its Legal and Compliance Department. The firm is one of the City's largest institutions. The successful candidate will be a lawyer with sound City experience, and will be expected to demonstrate a record of tangible commercial achievement. Knowledge of specific business areas is less important than a good grasp of general market practice and legal issues. This post offers excellent prospects for the right individual and attractive remuneration. For further information please contact Paul Wilson or Penny Bramah on 01-404 5751 or write to them enclosing a curriculum vitae at Michael Page City, 39-41 Parker Street, London WC2B 5LH. Strict confidentiality assured.

**Michael Page City**  
International Recruitment Consultants  
London Paris Amsterdam Brussels Sydney

**Solicitor Transactions and Executions**  
A city-based role with international dimensions

A wholly-owned subsidiary of the Long-Term Credit Bank of Japan Limited, LTCB International specialises in the underwriting and distribution of securities, trading across a variety of international capital markets. Rapid expansion of our operation has created a new opening for a Solicitor with a City-based legal background. The position will provide an opportunity to develop skills in a highly demanding commercial environment. Reporting to a Deputy Managing Director, you will be responsible for all documentation relating to new issues, plus some compliance work. A minimum of one year's post-qualifying experience — including involvement with Eurobond issues plus related client work — is essential. Additionally, a knowledge of facility, commercial paper and SWAP documentation would be advantageous. Aged late 20's - 30's and ambitious to progress in an international role offering excellent long-term potential for corporate finance involvement, your present abilities will be reflected by an attractive remuneration package and a generous range of banking benefits. Initially, please write to: Vivien Karim, Personnel Department, LTCB International Limited, 5th Floor, 18 King William Street, Lond on EC4N 7BR.

**LTCB**

**UK EQUITIES FUND MANAGEMENT ASSISTANT DIRECTOR**  
The opportunity to manage sizeable pension funds in one of the City's leading investment management firms

This position is likely to appeal to an investment professional experienced in UK Equities who is looking for the opportunity to join a major investment management firm at a senior level. You would assume immediate responsibility for the discretionary management of assets of some £1 billion on behalf of up to 12 UK institutional clients and will be expected to make a significant contribution to asset allocation and business strategy. You are likely to be a graduate with at least 5 years' experience in pension fund management and will probably be in the age range 28-35. You will possess well-developed communications and presentation skills and must be highly client service orientated. The Company is one of the leading investment management firms in the UK and the compensation package, which includes a car and full banking benefits, is designed to attract someone with the ability to maintain its excellent reputation for both performance and service. If you would like to be considered for this position please write in complete confidence to: Michael Thompson at John Sears & Associates, Executive Recruitment Consultants, 2 Queen Anne's Gate Buildings, Dartmouth Street, London, SW1H 9BP or telephone him for a preliminary discussion on 01-222-7733.

**John Sears and Associates**  
A MEMBER OF THE SMC GROUP

دولتي



# Data Security Group Success from Quality

Salary and Benefits  
Totally negotiable

Price Waterhouse is a major international firm of business advisors and management consultants. Our UK practice has a data security group of 75 people. The majority are based in London and service the Banking and Financial Services sector. We are investing heavily in this Group in terms of personnel, methodologies, research and software tools; and within eighteen months we intend to be the leading data security

group of any international practice. We are currently seeking to recruit staff for our UK operations and our Hong Kong practice. If you are an IT consultant with strong technical skills, an experienced data security consultant or a technical computer auditor why not talk to us? The career opportunities are excellent. You will be impressed with our plans and the resources we are devoting to our practice.

If you are in the top 10% of your profession, interested and enjoy a challenge, then write, in confidence, enclosing a copy of your CV, indicating your preferred location and quoting reference MCS/8513 to: John Bromfield, Partner, Data Security Group Price Waterhouse Management Consultants No. 1 London Bridge London SE1 9QL

**Price Waterhouse**

PW has offices in LONDON, ABERDEEN, BIRMINGHAM, BRISTOL, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LEICESTER, LIVERPOOL, MANCHESTER, MIDDLESBROUGH, NEWCASTLE, NOTTINGHAM, SOUTHAMPTON and WINDSOR.

### REGISTERED REPRESENTATIVES

Top Commission Plus... For Effective Individuals with Clients Highly Successful (Full) Members of TSA

01-895-1700 Mr Harshon.

### CREDIT ANALYST

with knowledge of German is required by European bank. A minimum of 2 years' experience of credit analysis and the ability to work well in a small team. Salary £16-18,000 p.a. + excellent prospects.

### Appointment Wanted

### French/English Spoken Professional

with 13 years experience in the money markets is now seeking new opportunity either within U.K. or Virgin Islands/Bahamas/Cayman Islands

## Jonathan Wren

### INTERNATIONAL SECURITIES SETTLEMENTS PROFESSIONAL

As a leading player in the international securities markets, our client has a vacancy within their trade settlement function for someone with extensive experience in this area.

As a liaison between trading and back office, the successful candidate will be responsible for the settlement of equities, bonds, options and futures contracts. The ideal candidate will have some accounting knowledge and be computer literate.

This position will require both an attention to detail and an ability to communicate effectively with directors, traders and counterparties alike.

The salary offered will be commensurate with experience and ability. Interested applicants should write to Vanessa Nokes.

LONDON HONG KONG MIDDLE EAST SINGAPORE SYDNEY

## Jonathan Wren

Recruitment Consultants No. 1 New Street, (off Bishopsgate), London EC2M 4TP. Telephone: 01-623 1266. Fax: 01-626 5258.

ate ng  
a wide variety of work to fill  
keting  
ance  
nce  
experience in  
Mark  
on  
41 Parker

City  
Consultants  
Sydney

ETS

S

2x4L

MENT

ands  
of firms

### FINANCIAL OPPORTUNITIES

**JAPANESE EQUITY SALES MANAGER**  
Reputable house seeks to recruit a Japanese Equity sales manager with 3 years plus experience. Fluency in a European language would be an advantage. Ring Sue Stevens for further details.

**EQUITY SALES MANAGER**  
Candidates must have 4 years plus experience of selling UK Equities into Europe. A European language would be an advantage. Please call Sue Stevens for details.

**CAPITAL PROJECTS FINANCE**  
Lucrative opportunity for experienced person. Graduate, possibly accountant with experience in large projects, debt conversion, debt/equity. Languages useful. Large international house. Call quoting ref DF/812

**FUTURE SALES**  
3-4 years experience required. The successful candidate will be working alongside the Fixed Income department. Quality house. Please call Richard Ward.

**AUSTRALIAN EQUITY SALES**  
Reputable Australian house seeks candidate with minimum 3 years experience of AS sales with good UK coverage. Please ring Karen Gray for details.

**SYNDICATIONS EXECUTIVE**  
Candidates must have at least 3 years Syndications experience with a proven track record. Please ring Sue Stevens for further details.

**MARKET MAKER**  
Candidate must have good experience in German Domestic Bonds. Quality house. Please call Richard Ward.

**GILT TRADER**  
Candidate should be 25-34 years old with 18 months experience trading Shorts. Please call Richard Ward.

**FRENCH FRANC GOVERNMENT BONDS**  
Major Investment Bank seeks experienced SALESPEOPLE with good contacts. Must be fluent in French. Great package available. Ref DF/314

**SALES - EUROBOND/WORLDWIDE INCOME**  
Italian speaking with good institutional/banking contacts in Italy. Possibility with Italian banking background. Ref DF/315

**OPTIONS TRADER/MARKET MAKER**  
Reputable house seeks to recruit experienced UK Options trader/market maker to be based in Australia. For further information please call Karen Gray.

**MARKET MAKER**  
Candidates must have good experience in Australian Domestic, Treasury Bonds, stock issues. Quality house. Please call Richard Ward.

**SALES - CANADIAN EQUITY OR EUROBONDS**  
Must be experienced. Excellent package available. Ref DF/

**EUROBOND SALES**  
Candidate must have 2 years experience in Multi currency sales in DM, Guilder and Sterling Eurobonds with good client base. Ring Karen Gray for further details.

**FIXED INCOME SALES (Scandinavian coverage-2 years exp)** Eng  
**CANADIAN EQUITY SALES (2 years exp)** Eng  
**TREASURY SALES (2 years exp)** Eng  
**GILT SALES (2 years exp)** Eng  
**MULTICURRENCY SALES (2 years exp)** Eng  
**OPTION SALES (2 years exp)** Eng  
Please ring Sue Stevens for further details.

01 377 6488  
Cambridge Appointments  
232 Shoreditch High Street, London E2

## STRATEGIC PLANNING MANAGER

c. £25,000 + car + substantial benefits  
London

A key role in the Group Corporate Planning department. As a member of the Strategic Planning team, you will be responsible for the formulation of Group and integrated Business Unit strategies and plans.

The Strategic Planning Group performs a key role in the identification of business opportunities and competitive threats, and the formulation and recommendations to General Management of the strategies and plans which will achieve defined business objectives and will create and sustain competitive advantage in its existing and potential markets.

A well qualified business professional, you will have highly-developed analytical and communication skills. You have a good honours degree and preferably a business related post-graduate or professional qualification, with at least five years' commercial experience ideally combining line management and corporate planning or consultancy.

An attractive salary, negotiable in accordance with skills and experience, together with a car, subsidised mortgage, profit sharing and other significant benefits is offered.

In responding to the researched needs of its customers in an increasingly competitive marketing environment, Abbey National is establishing itself as a more broadly-based retail financial services organisation.

Please write with full cv to Bill Whitehead, Abbey National, Abbey House, Baker Street, London NW1 6XL. Applications are invited from all sectors of the community.

### INTERNATIONAL INSTITUTE OF TROPICAL AGRICULTURE

#### ELECTRONICS SERVICES OFFICER

The International Institute of Tropical Agriculture (IITA) at Ibadan, Nigeria, invites applications from highly experienced candidates for the position of Electronics Services Officer.

IITA is an international agricultural research and training center, one of a consortium of 13 such centers world-wide which has organized by the World Bank, Food and Agriculture Organization and the United Nations Development Program. With headquarters on a 1,000 hectare campus and experimental farm, IITA has outreach programs in many sub-Saharan African countries and employs some 200 internationally recruited staff from 45 countries.

The Electronics Services Officer shall be responsible for maintaining a wide range of modern scientific instruments which includes atomic absorption spectrophotometers, high/low-speed ultracentrifuges, electron microscopes, deionizers and incubators. He or she shall also maintain a wide range of modern laboratory equipment and apparatus, interpretation and sound systems, photocopiers, projection equipment, video and television sets. He or she should also possess the aptitude for handling electrical and mechanical functions of scientific apparatus.

Evidence of long and extensive experience in the above areas, together with some previous work experience in a developing country, are the most important qualifications for this assignment. Formal educational qualifications will also be important considerations in the selection process.

Remuneration will be determined on the basis of qualifications and experience. IITA offers a liberal package of benefits including alternative pension schemes, group life and health insurance, annual home leave travel, children's educational grants and travel, among others. Accommodation is provided in a beautiful campus environment with recreational facilities.

Applications should include curriculum vitae, the names and addresses of three referees (including telephone and telex numbers, if available) and other pertinent information. Applications should be sent to either of the following addresses:

Manager, Human Resources (IITA)  
c/o Lambourn and Co. Ltd  
26 Dingwall Road  
Croydon CR9 3EE  
UNITED KINGDOM

OR  
Manager, Human Resources  
IITA  
Oyo Road, PMB 5320  
Ibadan  
NIGERIA

### CHARTERHOUSE BANK LIMITED

#### SENIOR SPOT DEALER

Charterhouse Bank Limited is looking to recruit an experienced spot foreign exchange dealer. You should be currently working in an active and professional trading environment with expertise in one or more of the major currencies.

This is a genuine opportunity to make a significant contribution to an established and profitable Treasury team, building upon a platform of sustained growth.

Please write including an accurate cv. to Keith Robinson, Group Personnel Manager, Charterhouse Bank Limited, 1 Paternoster Row, London EC4M 7DH.

### CHARTERHOUSE

A MEMBER OF THE ROYAL BANK OF SCOTLAND GROUP

### HARVARD SECURITIES PLC

We are currently expanding our dealing capacity and our seeking high calibre self motivated, ambitious and articulate REGISTERED REPRESENTATIVES/EQUITY SALESPEOPLE.

Financial remuneration is no obstacle to the right candidate. If you are able to meet the above criteria please send your C.V. to John Harris, Harvard Securities PLC, 95 Southark Street, London SE1 0HX

#### Snr. Acct. Officer

Expanding branch of European Bank require an additional person aged up to 35 and able to demonstrate business development skills. Responsibilities require current and diverse product knowledge.

Salary c.£35,000  
Contact Frank Hoy Ref: 6986

#### Credit Officer

Established European Bank operation offer an exceptional opportunity requiring a minimum 2 years' UK marketing and account relationship experience, credit analysis skills and knowledge of documentation.

Salary c.£25,000  
Contact Frank Hoy Ref: 7156

#### Mktg. Officer - Property

Prime (triple A) European Bank seek to strengthen a specialist team with an additional person offering appropriate commercial property experience supported by credit assessment skills.

Salary c.£30,000  
Contact Frank Hoy Ref: 7036

#### Trade Fin. Acct. Officer

Leading Merchant Bank, active in international and domestic trade finance, require an experienced person aged mid-late 20s to undertake marketing, relationship and associated support duties.

Salary c.£25,000  
Contact Frank Hoy Ref: 6981

GORDON BROWN & ASSOCIATES LTD.  
RECRUITMENT CONSULTANTS

57/59 LONDON WALL, LONDON EC2M 5TP  
TEL: 01-626 7801

## Gordon Brown

## Controller and Chief Executive Norwich and London Starting salary £45,800

Her Majesty's Stationery Office operates as a separate trading Fund providing stationery, office machinery, printing and publishing services to Parliament, Government Departments and many other organisations in the public sector. In today's increasingly competitive market, the efficiency of our operation is important to future success. We are now looking for a senior manager with considerable financial acumen and political sensitivity to lead our team of over 3000 staff, based throughout the UK. Operating mainly from our Headquarters in Norwich, but making regular visits to London and other sites, you will be expected to ensure that customers receive the most effective and economic services and that HMSO makes a healthy return on its assets. You will also be responsible for master-minding the change of HMSO's status

to one of the new style Executive Agencies. This is a unique and challenging role which demands a combination of proven management and leadership qualities, gained either in the private or public sector, together with excellent representational skills and the ability to initiate and direct change. The appointment will be for 5 years with the possibility of extension. Salary starts of £45,800, rising to £48,000 in the second year, with the possibility of further payments linked with actual performance in the post. Benefits include a non-contributory pension scheme. For further details and an application form (to be returned by 2 September 1988) write to Civil Service Commission, Alison Link, Boarstoke, Herts RG21 1JB, or telephone (0256) 468551 (answering service operates outside office hours). Please quote ref: G/7670.



### HER MAJESTY'S STATIONERY OFFICE

The Civil Service is an equal opportunity employer

## LAWYER

WEST LONDON CIRCA £27,000 + BENEFITS + CAR

The Northern European Division office of this highly successful multinational Company is looking for an inhouse lawyer who will report to the Senior Legal Counsel for the Division. The main responsibilities will include counselling division and country management on legal issues, especially in the areas of Company law, anti-trust, consumer law, contracts and competition. The Division is responsible for the Company's operations in the United Kingdom, Republic of Ireland, the Netherlands and Nordic regions.

The suitable candidate needs an excellent legal education with above average grades and will have been qualified in a European jurisdiction for at least three years. The candidate must have a willingness and readiness to deal with complex legal issues, an ability to work with meticulous thoroughness and professional understanding in order to arrive at sound practical solutions within a commercial environment.

The candidate should have three to five years professional experience in commercial legal fields with exposure to EEC legal concepts and preferably experience and interest in international legal issues. Ideally experience should also include litigation and complex negotiations, with involvement in the development of marketing, financing, joint venture and industrial property agreements. Outstanding communication skills, verbal and written, are essential. In addition to fluency in English, knowledge of another European language would be advantageous.



WRITE WITH A FULL CV TO JOHN WALLER  
DIRECTOR OF HUMAN RESOURCES  
COCA-COLA NORTHERN EUROPE PEMBERTON HOUSE  
WRIGHTS LANE LONDON W9 5SN TEL: 01-992 2131

### Liquidity & Fixed Interest Investment Management Senior Sales & Marketing Executive

GH Asset Management Limited (a new company jointly owned by the Gervard & National group and the JO Hambro group) is dedicated to the management of fixed interest funds for institutional and business investors.

GH is currently seeking a marketing executive, aged around 30, capable of presenting the Company's services at the highest level to a wide variety of potential clients, and able to care for those clients' continuing needs.

This job requires a person of the highest calibre both professionally and personally. A graduate, probably professionally qualified, and currently working for a bank or stockbroker, could be well suited to the job. He or she will need to have, (or acquire very quickly), a total grasp of world money markets, multi-currency fixed interest securities markets and markets for derivative instruments.

He or she will work closely with and report to the MD, and will be an important element of a small highly professional team.

The remuneration package will be most attractive to an imaginative and highly enterprising person. Career prospects are excellent.

Interested applicants should send their CVs to:  
Richard Freeman (Managing Director)  
GH Asset Management Limited  
Colechurch House, 1 London Bridge Walk  
LONDON SE1 2SX  
Tel: 01-407 2597





## BULLION Spot and Options Dealers

Sharps Pixley Ltd. is looking to strengthen its bullion dealing team by the addition of two new members.

1. A spot bullion dealer - candidates must be highly motivated, have a good working understanding of the markets and be able to respond confidently at a high level of market exposure.

2. A bullion options dealer - in addition to the above qualities candidates must have sound technical experience of options.

Successful candidates will receive a competitive remuneration package.

Please apply in writing with full CV, to:  
Sioned Exley, Personnel Officer,  
Kleinwort Benson Group, P.O. Box 191,  
10 Fenchurch Street, London EC3M 3LB

**Kleinwort Benson Group**

### CHIEF DEALER

above market rate

To 40 yrs

Expanding London Branch of premier worldwide financial institution seeks to recruit a foreign exchange manager. This is a suitable appointment for a highly professional senior Dealer with a proven track record gained within another respected international bank. The successful candidate will adopt "hands-on" management style and work closely with a dynamic spot dealing team motivating and increasing profitability. It is essential that experience is both current and relevant.  
Please speak with Sandra Clark on 377-5040

### BANKING LAWYER

£35-40,000 p.a.

20s/30s

Expanding international bank wish to recruit a banking lawyer to head up an in-house legal department covering commercial and some capital market facilities. Candidates must be fully conversant with all aspects of documentation and will have worked in a bank liaising with corporate finance departments handling all legal matters. Salary will be negotiable within the above range.  
Please speak with Stephen Medhurst on 377-5040.

### NEW ISSUES DOCUMENTATION

£20-25,000 p.a.

£20s/30s

Prime name European merchant bank seeks a New Issues Documentation Officer. Candidates will ideally have some formal legal training and a minimum 5 years Eurobond new issue documentation to join an international corporate finance department with long-term opportunities in marketing/origination.  
Please speak with Stephen Medhurst on 377-5040.

### LJC BANKING APPOINTMENTS

Devonshire House, 146 Bishopsgate, EC2M 4JX.  
01-377 5040



CITY TECHNOLOGY COLLEGES TRUST

## PROJECT DIRECTORS

Five more City Technology Colleges have received firm offers of sponsorship and the CTC Trust and the sponsors require senior project directors to take each project through to reality.

Ideal applicants should have a record of proven initiative at senior management level, together with a keen interest in education.

A substantial salary will be paid. Candidates currently earning less than £35,000 are unlikely to have the necessary experience.

Project directors are required for schools in London, Manchester, the Midlands and the Home Counties. Contracts will run for at least two years and responsibilities will include finding and purchasing suitable sites, supervising architects and builders, hiring key staff for the CTC and seeking additional local sponsorship and support.

Please apply in writing to:

Mary Eaton, City Technology Colleges Trust  
37 Queen's Gate, London SW7 5HR. Tel: 01-581 2733

### BUILDING SOCIETIES SUPERVISION

The Building Societies Commission is responsible for the supervision of building societies to protect investors. It also administers the legislative framework which governs societies' constitution and business.

As one of three Assistant Commissioners, you and your team will supervise a group of societies of varying size and complexity. You will consider the implications of their policies and trends and review the adequacy of business control systems, involving regular liaison with boards, senior executives and auditors. You will also, for the industry as a whole, initiate or respond to the development of prudential and other policy issues such as capital adequacy, relations with other supervisory authorities, and the impact of EC developments and economic and social trends.

You must be able to demonstrate significant understanding - through training and experience - of one or more of the following: accountancy, economics, statistics, financial institutions and markets, or financial regulations. You will be required to represent the Commission at all levels and have the personality and presence to persuade directors and management to change course as necessary in the interests of investors.

## Assistant Commissioner

A salary up to £34,500 is envisaged with further increases depending on performance. A higher starting salary may be available to an exceptional candidate.

For further details and an application form (to be returned by 30 August 1988) write to the Building Societies Commission, 15 Great Marlborough Street, London W1V 2AX or telephone 01-437 9522. Please quote ref: G/7676.

The Civil Service is an equal opportunity employer



## GMP Geoffrey Morley & Partners Limited

### European Fund Manager

### Directorship Potential

Geoffrey Morley & Partners, the independent specialist equity fund management firm with over £1 billion of pension funds and unit trusts under management, is seeking a European Fund Manager.

Interested applicants will be graduates, aged 26-35, with a minimum of two years relevant experience and a demonstrably successful track record gained with a recognised house. They must display the ability to work independently within a strong team framework, and the ambition and determination to succeed in a performance conscious environment.

This represents an excellent and unusual opportunity with immediate directorship available for the appropriately qualified individual. Remuneration will include generous basic salary, group and performance bonus and a car, with equity options in the near future.

To discuss this position further, in strictest confidence, please contact Christopher Lawless, Stuart Clifford or Julian Fox on 01-583 0073, or 01-874 9417 outside office hours, or write to: 16-18 New Bridge Street, London EC4V 6AU.

**BADENOCH & CLARK**  
RECRUITMENT SPECIALISTS

## Investment Analysts

The opportunity to develop your career with a major fund management organisation.

Our client, one of the City's leading investment management organisations, is seeking a number of Investment Analysts to work in its UK Equities fund management area. Your principal responsibilities will be to undertake Company research in one of the major UK market sectors and to provide well presented recommendations for use in investment decision making.

Candidates must be graduates in an economic or numerate discipline and will preferably possess or be completing an MBA. Ideal candidates will have at least one year's post-graduate work experience not necessarily gained in the financial sector, just as important is the ability and desire to achieve results by producing winning research. Well developed written and oral communications skills are essential.

The Company offers a competitive compensation package and excellent career development prospects. If you would like to be considered for one of these positions, please write to: Michael Thompson, John Sears & Associates, Executive Recruitment Consultants, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP.

**John Sears and Associates**

## CHIEF EXECUTIVE EDINBURGH

International Group in the paper and packaging industry seeks Chief Executive for their U.K. fine paper subsidiary with sales circa £25 million.

The successful applicant will be self motivated, with proven experience at Chief Executive level in the papermaking industry, preferably with higher value added products. Through a strong technical production and marketing strategy, he would be required to move and increase the activity through a defined strategy of investment.

An attractive package is open for negotiation.

Please write in confidence with full personal and career details to O.C.O'Neill, 90 Woodlands Road, Little Bookham, Leatherhead, Surrey KT23 4HH

## VACANCY - BUSINESS MORTGAGES TRUST PLC

Plymouth based Commercial Loans Company require an Advances Administrator for their Loans Department in Plymouth.

The applicant should have a knowledge of security documentation including title deeds together with sound training in credit analysis of loan applications.

The successful applicant will be expected to work closely with the Loans Director and Loans Controller in providing a speedy and efficient service.

Salary is subject to negotiation with the normal fringe benefits.

For full details apply to:  
R.O. Chellis Esq., Director of Lending,  
Business Mortgages Trust plc,  
Business Mortgages House,  
26 Lockyer Street, Plymouth PL1 3QW

## LOAN DOCUMENTATION

A new role - with Unit Head responsibilities - at a leading UK bank.

This is a new position reporting to the Director in charge of lending worldwide. You would be responsible for reviewing and maintaining incoming documents and review approval and in some cases drafting of outgoing documents such as facility letters, loan agreements, guarantees and participation agreements.

You would have responsibility for the maintenance of a computer data base of client information and the distribution of credit proposals. You would manage three staff.

A suitable candidate would have at least 18 months' experience in a documentation role in Banking which would include some drafting of agreements. The bank offers a highly competitive compensation package. To apply please write or telephone: Christine Hoagh, John Sears & Associates, Executive Recruitment Consultants, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP, 01-222 7733.

**John Sears and Associates**

## CORPORATE FINANCE DIRECTOR

A U.K. Company, linked through equity and marketing activities to Kuwait and other Arab countries, seeks the services in London of a CORPORATE FINANCE DIRECTOR whose responsibilities will include the identification, packaging and supervision of certain types of direct investments, creating the necessity for occasionally prolonged absences abroad.

Candidates must enjoy a combination of an appropriate academic qualification and compatible experience. A Masters degree or equivalent, in Business Administration, Finance and Economics, Accountancy or Law is required. Additionally it is essential that the candidate should have a proven record in the incorporation of companies, the structuring of balance sheets, evaluating companies and establishing positive working relationships with highly placed and responsible individuals. Therefore, the age-group sought is from 45 to 55 years and an acceptable knowledge of written and spoken Arabic is a prerequisite.

The remuneration package will be commensurate with qualifications and possibly linked to performance.

Applicants should address their applications, accompanied by a detailed curriculum vitae, to Box A0962, Financial Times, 10 Cannon Street, London EC4P 4BY.

## Senior Corporate Dealer

City  
Attractive salary package  
with Company Car

Applications are invited from ambitious men and women with considerable up-to-date large bank corporate dealing experience to expand this growing Austrian bank's existing client base in the UK.

Technically excellent, you will have impeccable and well-practised Marketing, Interpersonal and Communications skills to enhance your ability to achieve through close working relationships with dealers and marketing colleagues alike. You will report direct to the Chief Dealer.

You are aged 35-40 years, possibly a graduate, and computer literate with the ability to handle desktop publishing software.

There will be an attractive remuneration package with Company Car for the right candidate.

Please write, in confidence, with full curriculum vitae to Rosemary Jordan, Manager - Personnel, Girozentrale Vienna, 68 Cornhill, London EC3V 3QE. The closing date for receipt of applications is 15th August (No Agencies).

Girozentrale **GZ** Vienna  
BANK

## CHARTERHOUSE APPOINTMENTS

COMMODITIES/EQUITIES

### UK EQUITY SALES

An established UK Bank is currently looking for a UK Equity Salesperson. Suitable candidates will have at least 3-4 years experience with a good name and have built up an extensive knowledge of the UK Market. In return our client is offering a highly competitive salary and package.

### EUROPEAN EQUITY SALES

An International Securities House are seeking to expand their European Sales and Trading Teams. Successful candidates will have 2-3 years experience dealing with institutional clients in either the UK or Europe. A thorough knowledge of the companies and economics of at least two European markets is essential for the sales position. As our client is only prepared to consider the best people in the market, the salary package for these positions are beyond compare.

### FUTURES AND OPTIONS BROKERS

A major City institution is currently seeking a person with about 3 years experience in Financials, preferably with Floor Exposure to fill a new Broker/Client liaison role. The post comes with a fully competitive package.

For more information on these and other Financial and Commodity positions please contact either Tim Giles or John Benson on 01 481 3188  
Europe House, World Trade Centre, London E1 9AA.

## RETAIL SECTOR ANALYST AND SALES

WE ARE A major international investment bank with a fully established global research capability. As part of the expansion of our research capability in London we intend to add a second analyst in the Stores sector to work with our existing experienced analyst.

THIS POSITION WILL suit an existing analyst in the Stores sector who is capable now of assuming increased responsibility and coverage.

A FURTHER POSITION is available for a Salesman with particular experience in the Stores sector.

APPLY in confidence to Box A0966 Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY.

مكتبة الجليل



MANAGEMENT

Ask teaching staff at one of continental Europe's international business schools what their role is and you get a clear and confident answer: to develop managers who can operate across national frontiers.

Ask the same question at London Business School and staff will tell you they do not know what their role is. Life at the school's Regent's Park premises is very comfortable, they say, but nobody knows where the school is going. There is no sense of common purpose.

"We are more a federation of independent entrepreneurs than a cohesive institution," one senior member of the faculty says. This does have its advantages, says John Hunt, professor of organisational behaviour, in that it makes for diversity and creativity.

But he and his colleagues recognise that they will, together, have to make some important decisions over the next few years. The creation of a single European market in 1992 will sharpen the debate over whether LBS should be primarily a British or an international school.

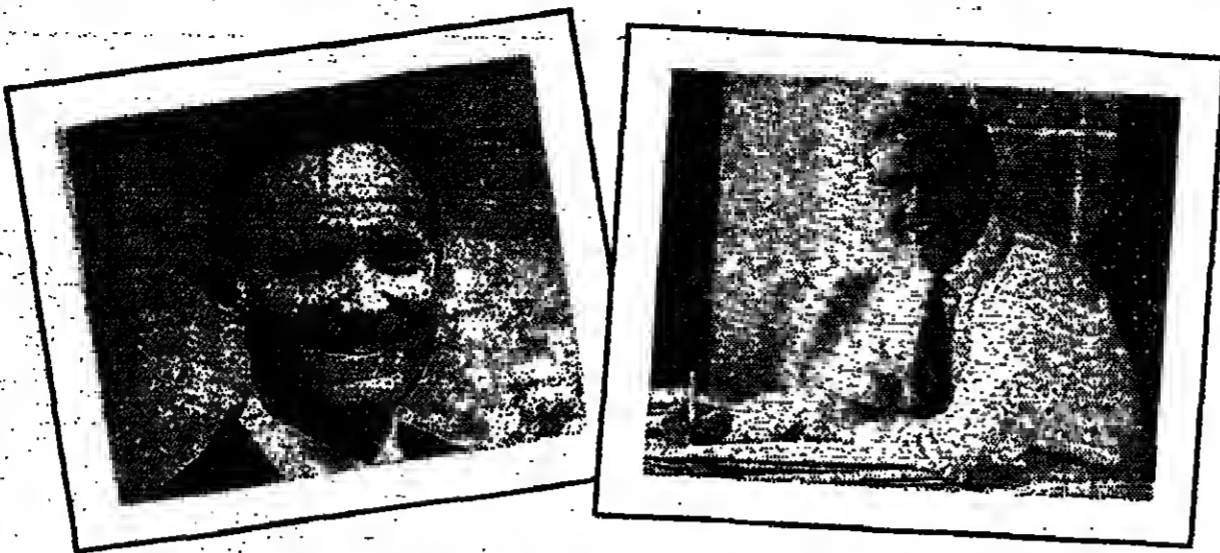
The current drive to improve the education of Britain's 2.75m managers presents LBS with another dilemma: should it provide for the training needs of a large number of managers, or should it be a centre of academic excellence?

Added to this is the difficulty that all business schools have in recruiting competent staff at salaries far lower than they would earn in finance or industry. LBS is concerned, too, about the future of its government grant. Last year, the University Grants Committee cut its funding by 20 per cent. Some, like Professor Brian Griffin, and Hugh Murray of City University Business School, believe that business schools should manage without any financial assistance from the state.

LBS will face these challenges under a new leader. The school's principal, Peter Moore, steps down next summer. The search for his successor has already begun. Moore is a courteous and approachable man, but his colleagues allege that he has failed to provide the school with the focus and leadership that it needs.

Moore himself says that the school has achieved significant successes since he became principal in 1984. "We have expanded steadily," he says. "We have built a new building. We have changed the terms of the UKC funding change. In the last five years we have doubled the money we have raised from research. Our research income is now about 60 per cent of our annual UGC grant. It is about 35 per cent in universities as a whole."

"The school has become more international. I think we have raised the awareness of the school considerably. We had 250 more entries a year five years ago. Now we have 1,500 press cuttings. We have also got our Royal Charter." The Charter, awarded in 1986, made LBS a university in its own right. Moore became principal after 12



John Hunt (left): expected to apply for the post of principal of the LBS after Peter Moore (right) retires

# LBS: in urgent need of a sense of direction

As Britain's premier business school begins the search for a new principal, Michael Skapinker outlines the dilemmas that will confront him

years as deputy principal. At the time of his appointment, some on the LBS governing body argued that an industrialist should be appointed instead. A similar debate is taking place today over whether Moore should be succeeded by an academic or a businessman.

Two LBS faculty members have been mentioned as possible candidates: John Kay, the research dean, and John Hunt. Kay says he is not interested. "It's not particularly what I want to do with the next five years of my life," he says. Hunt refuses to say whether or not he is a candidate, but it is thought that he will definitely apply for the job. His colleagues seem lukewarm about the idea. "One could do a lot worse," says a member of the teaching staff. "Equally it doesn't sound an exciting appointment. I think we want someone who's a strong leader with a sense of vision and mission."

Derek Abell, the dean of Insead, a rival school in Lausanne, has also been mentioned as a possible principal for LBS. Abell says, however, that "whatever anybody at LBS thinks, nobody has discussed it with me." He is deeply involved in plans to merge Insead with the International Management Institute in Geneva and has already said that he would like to head the merged school.

When names of industrialists are discussed, one that keeps coming up is that of Sir John Harvey-Jones, former chairman of ICI. He, however, says that nobody has asked him to take on the job. If they did he would be "very hard-pressed to find the time."

Whoever becomes principal faces a difficult task. "It's going to take a very unusual individual," says Dean Berry, who began teaching at the school in 1968, served as dean of Insead, the international business school in Fontainebleau, in the 1970s, and now teaches at LBS part-time. "Everybody will say they want strong leadership. They mean they want strong leadership over someone else."

For the new principal, Berry says, "there's a substantial rebuilding job. Somebody's going to have to come in and build some institutional pride." Apart from persuading a talented and individualistic faculty to focus its attention on common objectives, the new principal will have to settle the question of how academic and research-oriented LBS should be.

Charles Handy, a part-time LBS professor and the author of a major report on UK management education, believes that the school's individualistic culture is the direct result of its academic origins. LBS began in 1968 as part of London University.

University academics typically see themselves as researchers and teachers of their particular subject rather than as part of a corporate entity. "If you went to Cambridge University you wouldn't find a consistent view of

what Cambridge was," he says. LBS "seeks to study and analyse business and to teach what it knows as good as a group of students as it can get. That's importantly different from educating an elite group of managers. If you were educating an elite group of managers you would start with what those managers need to know."

Instead of starting with what managers need, Handy says, LBS academics pursue the research that interests them and "then share what they know with their students. That's very much the university model. I think the school, consciously or unconsciously, is set in that mould."

One former member of the faculty says that in any business school, "there's always this tension between research and being a professional school." In recent years, he says, LBS "has tended to veer in the direction of becoming more academic."

The research for which LBS is best known are the economic forecasts of its Centre for Economic Forecasting, headed until recently by Professor Alan Bond. The school has six other research centres, including the Institute of Finance and Accounting, the Public Sector Management Group and the Design Management Unit.

use to business and the economy generally. We have done work on things like the domestic appliance market throughout Europe which showed that it is not one market but a series of domestic markets. It's those sorts of things that the research is going into."

John Kay, who became research dean last year, concedes, however, that "research has been seen as an individual rather than a school activity. One thing I would like to do is develop a more coherent strategy, with our own publications and more organised press communication."

Whatever its shortcomings, LBS's research is the envy of the other European schools. Insead has embarked on a major effort to increase the amount of research it does. The International Management Institute is also devoting more time to research.

Where Insead, IMI and Inmede believe they have the edge over LBS is in the international environment they offer. Although Insead is based in France and IMI and Inmede in Switzerland, all three schools draw their staff and students from all over the world. By contrast, LBS's faculty is overwhelmingly British, as are the majority of the students.

Erroy Dimson, the director of London's MBA programme says he feels "very hard done by" that others perceive that Insead and IMI are more international. LBS is in London. There are so many people passing through. Nobody passes through Lausanne. Nobody passes through Fontainebleau. You can never say that LBS lives in a vacuum."

Of the 120 students who have just completed their two-year full-time MBA courses, 89 per cent were non-British, representing 37 countries. Of the UK students, 51 swapped places for a term with students from business schools abroad, further enhancing the school's international flavour, Dimson says.

To some, like John Hunt, however, the school still concentrates too much on British issues. "1992 is as big a challenge to us as to anyone else," he says.

Not everyone agrees. John Kay says while the school needs to have international faculty and students, "in the end, our mission is primarily to improve the quality of British management."

This, too, is an issue the new principal will have to settle. The market for international MBAs is becoming increasingly competitive. Insead has acquired an enviable reputation. A merged school comprising IMI and Inmede would be an attractive option for upwardly-mobile managers.

Nor can LBS rest on its reputation as Britain's top school. Schools like Ashridge are already winning praise for their innovative approach to management development. Perhaps the greatest threat, however, will come from two universities whose international reputation no European institution could hope to better: Oxford and Cambridge, both of which are talking about introducing MBAs of their own.

## Training

# Back to school

David Thomas analyses a study of whether company practice might benefit teachers

Management is all the rage in Britain's schools. Hemmed in by financial pressures and having to cope with the Government's educational reforms, head teachers are taking an interest in the management of their resources as never before. Talk of the head as the chief executive is becoming commonplace.

Yet most teachers, including heads, are painfully aware of their lack of management expertise. Their training has typically been confined to classroom and curriculum matters. The Department of Education, responding to the concern, is ploughing money into management training for heads and governors.

Set against this background, Nick Minton had a bright idea. A teacher in the London borough of Enfield, he set out to study how companies train their managers, with a view to coming up with recommendations for improved management training for teachers. He applied for a fellowship at Homerton College, a specialist education college in Cambridge, which allowed him to do just that.

Minton spent much of 1986 in the management training sessions of a clutch of Britain's biggest companies. They included not just British Petroleum, which sponsored the Homerton fellowship, but also Barclays, British Gas, the Electricity Council, Ford, Marks and Spencer, RMC, J Sainsbury, W.H. Smith and Wellcome. Minton must have become one of the best informed people in Britain about how the blue chips train their managers.

Minton emerged convinced that much of the content and many of the techniques of industrial training could be transferred to the educational sector. The two spheres "have substantial areas of mutual concern and interest when it comes to staff development and training needs," he concluded in his report, newly published by BP's educational service.

He goes further by calling for an exchange of training personnel. "There seems to be considerable potential for some system of reciprocal secondment between industrial training departments and cen-

tres responsible for teacher training." Many of the recommendations for teacher training flow from Minton's project are stunningly naive. Thus, having spent hours studying how some of the best and brightest of Britain's companies train their managers, Minton advises teacher trainers that "different people learn in different ways" and that "a general understanding of human behaviour would probably be of interest to many teachers."

The report continues in equally Pooterish fashion about time management (it helps), communication (the ability to communicate is not innate), meetings (some are badly organised, pointless and a waste of time), interviewing (interviewees should be trained), financial management (ditto) and delegation ("where is, after all, more to delegation than just telling someone what you want him/her to do and then letting him/her do it?").

There are two possible conclusions to draw from Minton's report. Either senior teachers are already being trained in the elementary skills described in the report, but Minton does not know this. Or the absence of management training for the people who run Britain's schools is more total than almost anyone imagined.

Plumping for the second option would be charitable to Minton, if not to Homerton College. The second option also implies that industrial trainers have almost nothing to learn from their educational counterparts.

Unless, that is, in helping to cope with stress. For one of Minton's other conclusions is that "teaching has for some time been regarded as one of the more stressful occupations." By whom?

"There is no worse lie..." Industrial management training and the training of teachers. Nick Minton. From BP Educational Service, PO BOX 5, Wetherby, West Yorkshire, LS 23 7EL. Free.

PROPERTY FINANCE

Account Manager  
This is an opportunity to contribute to the expansion of the property finance department in a prestigious international bank with a reputation for quality and excellence.  
The prime responsibility of this job is to contribute to the growth of our financing of property development and investment through the expansion of our product and customer base. The bank is already actively involved in large scale property financing and plans to widen the scope of its activities in the property field.  
We are looking for a well qualified and highly motivated individual with previous relevant experience in the property field gained either in a major financial institution, property company, contracting company or firm of chartered surveyors, who is able to assume responsibility for all aspects of developing and administering secured property loans, including detailed knowledge of documentation.  
Salary is negotiable plus excellent banking benefits including car and subsidised mortgage.  
Curriculum vitae to Christopher Jansen - Vice President - Personnel.

Swiss Bank Corporation  
99 Graham Street, London EC2P 2BR

Capital Rewards

Would you like to join a multidisciplinary team which has grown in under four years to be leading advisers in capital rewards? We define capital rewards as being significant and deferred payments, whether in cash or kind, often linked to share values.  
We aim to be the most innovative and creative consultancy in our areas of expertise. Our work to develop ESOPs in the United Kingdom illustrates our practical approach to this aim.  
We value the personal standards and professional qualifications usually carry with them. But any recruit, whether accountant, actuary, banker, barrister, company secretary, solicitor or simply commercially experienced, must aspire to be an all-round consultant with energy, judgement and flair directed at providing excellence of service.  
We want to establish contact with any person with the ability to become an outstanding consultant in our field, whether or not they envisage a career move in the short or long term, so that we can maintain a dialogue leading to future opportunities. Our rewards are outstanding.  
Write in confidence to our Chief Executive Laurie Brannan, about how you see the present and future for capital rewards, and about your aspirations in this field. The address is 30/34 New Bridge Street, London EC4V 6BJ.

NBS  
New Bridge Street Consultants

HIDES AND SKINS TRADER

Ideally 40-55 years old  
A fully experienced person who has a proven record of experience in buying all types of hides, skins and Reptile skins, of tropical origins, is required.  
The candidate will be a multi-linguist with fluency in Arabic and French. A knowledge of Swahili would be useful.  
Resident in the United Kingdom and available for extended period of travel in Africa and Mid-East.  
A good salary is offered to the right Applicant, plus generous Company benefits.  
Write, with full CV, to Box A0964, Financial Times, 10 Cannon Street, London EC4P 4BY

Large Shipmanagement Company requires

TECHNICAL MANAGER  
Must be experienced with large steam tankers. Greek language advantage but not essential. Based in London.  
Please reply to Box A0946, Financial Times, 10 Cannon Street, London EC4P 4BY

WHICH CAREER SUITS BEST?

Professional Guidance and Assessment for all ages  
15-24 yrs: Careers, Careers  
25-34 yrs: Progress, Changes  
35-44 yrs: Review, 2nd Careers  
Full details in free brochure - CAREER ANALYSTS  
80 Gloucester Place, N.W.1  
01-435 5452 (24 hrs)

International Appointments

CL CREDIT LYONNAIS  
クレディ・リヨネ銀行東京支店は現在日本人シニア・デポジット・ディーラーを求めています。尚近い将来現在のチーフ・デポジット・ディーラーの後任者となる予定。  
A. 職種 主要外貨のデポジット・スワップ (運用調達) を自ら行い且つ スポット・ディーラー・チームの指導をする  
B. 条件 1) 年齢 30 ~ 35 才  
2) 欧州又は米国市場にて デポジット及びスワップ・ディーラーとして 5年以上経験のある人  
3) 給与は面談の上 (秘密を厳守します)  
For further details please contact: John Green at the address below or phone 01-248 3653. All applications will be treated in the strictest of confidence.  
76, Watling Street, London EC4M 9BJ  
Tel: 01-248 3653/01-489 8070  
BBM ASSOCIATES  
CONSULTANTS IN RECRUITMENT

International Appointments

BRENTAG AKTIENGESELLSCHAFT  
Assistant Controller For International Group Located in West Germany  
We are one of the leading international distribution and trading companies in the chemical business and belong to the West German VEBA Group.  
We have a very efficient worldwide network of subsidiary companies and branches in West Germany, Europe and abroad.  
We supply chemicals to the manufacturing industries.  
For our head office in Muelheim (Ruhr), West Germany, we are seeking a young assistant controller for our international controlling department.  
Description of functions:  
■ reporting and budget control  
■ handling of related PC applications  
■ assistance in preparation and analysis of financial statements  
Requirements:  
■ university degree in business administration or similar qualification  
■ basic knowledge of German language would be helpful (support in learning/improving will be given)  
■ good knowledge of PC handling  
Candidates must be willing to take their domicile in West Germany for a longer period and should be prepared after several years to join one of our international companies as financial controller.  
Applicants should write enclosing a full CV and salary details to the attention of  
Mr. Rainer Herrmann  
Personnel Department  
Brentag AG  
Homboltweg 15  
D-4300 Muelheim (Ruhr) 12  
West Germany

General Appointments

MANAGING DIRECTOR  
Our client is an expanding hotel company specialising in the Country Hotel Market. The Managing Director will play a leading role in development of the company by acquisitions and management of the existing hotels. Candidate probably aged between 30-40 will possess outstanding technical skills and commercial awareness and ability to direct a rapidly growing company. The company provides a highly competitive salary and benefits package with profit participation.  
Interested candidates should send a career resume including salary history to:  
F Dada  
Freemans and Partners, Chartered Accountants  
30 St. James's Street, London SW1A 1HB

INTERNATIONAL MARKETING ETHICAL AND SOCIAL PORTFOLIO MANAGEMENT

Paris-based US/UK stockbrokerage firm starting an Ethical and Social Portfolio Management Division  
We are looking for people whose backgrounds combine ethical and social issues (such as animal rights, environmental protection, labour relations, temperance, energy conservation, etc.) with marketing, financial analysis, or securities industry experience.  
This is a unique opportunity with substantial earnings opportunities. Please reply to:  
Albert Kaplan & Company Ltd., 8 Rue de la Michodiere, 75002 Paris, France.

Appointments Wanted

DANISH SECURITIES  
Dane (male), bank-educated experienced dealer/financial advisor (stockbroker) seeks position in the UK.  
Please reply to Box A0965, Financial Times, 10 Cannon Street, London EC4P 4BY



## TECHNOLOGY

## Chance to exploit a defence invention

**DEFENCE** Technology Enterprises, a company that aims to commercialise military inventions, has agreed licences with three UK companies to exploit a laser-based analysis technique devised by Defence Ministry scientists.

Bernard Herden, DTE's managing director, believes total sales of products derived from the laser technique could run to £300m over the next decade. Herden says the invention, developed at the Royal Signals and Radar Establishment in Great Malvern, Worcestershire, is one of the most exciting products to have emerged from the company's activities.

DTE, formed three years ago and based in Milton Keynes, includes among its backers Barclays Bank, Lazard Brothers and Robert Fleming. It obtains ideas from Defence Ministry research establishments and places them with companies for commercial development, in exchange for a royalty fee.

The laser technique is based on a method invented by RSRE scientists for studying the flow of gases from jet engines. A laser shines on the tiny particles found in gas streams; the degree to which the light is scattered gives an impression of a particle's position and the speed at which it is travelling.

DTE believes the technique could be equally applicable to a range of monitoring applications: measurement of air particles in pollution instrumentation, analysis of water samples and measurement of biological fragments found in blood.

The biotechnology company Ors, of Slough, which is developing automated purification systems, has taken out a licence on the invention, which could be used to monitor the size and concentration of molecules in chemical mixtures.

Ors believes it could form a sensing device for use in its future products. With the help of the RSRE, the company is attempting first to miniaturise the optics involved in the laser.

The two other companies which have taken out licences have not been named. They are involved with water purification and pollution control.

Peter Marsh

Last October the world's first fully automatic toll system was installed on Norway's west coast. It enables motorists to drive through a new 7.7 kilometre road tunnel, which links the mainland town of Alesund to the islands of Ellings and Valder, without stopping or even slowing down to pay.

The system, called Premid, was developed by the Norwegian subsidiary of Philips, the electronics group based in Holland. It is the first automatic toll system based on microwave communications to go into operation, although a number of others are being developed around the world.

Regular users of the Alesund tunnel have an electronic identity plate about the size of a cigarette packet fixed to a side window of their car or truck. When they pass the toll station, an array of aerials by the roadside aims a burst of low-power microwaves at the vehicle. The identity plate, which contains a tiny memory, reflects microwaves back to the antennae.

The reflected signal contains coded information about the vehicle, which the Premid computer compares with the information it holds about the subscriber. If everything is in order, it deducts the Nkr 25 (£2) toll fee from his or her account.

In addition to the two barrier-free lanes for Premid subscribers - one in each direction - the Alesund tunnel has both manned booths and automatic machines for people who want to pay by cash or card.

More than 3,000 vehicles a day use the Premid lanes; this is nearly 60 per cent of the traffic passing through the toll station. Premid allows 1,500 vehicles an hour to go through the toll at peak periods - three times as many as a fully manned station.

Subscribers obtain an identity plate by submitting an application form to the Alesund and Giske Bridge Company, the private company which operates the toll station, or to a local bank. The form requests details of the vehicle and the type of subscription required; this can be for a specified number of journeys or a monthly or annual ticket.

At the same time, subscribers authorise their bank to renew the subscription automatically when it expires and debit their account. This eliminates additional administration costs.

Although the Premid lanes at the toll station have no physical barriers to prevent non-subscribers sneaking through illegally, a sensor on the road monitors every vehicle that passes. If its identity plate is missing or not in order, a red light warns the driver to stop. If he or she still keeps going, a video camera automatically records the number plate.

In some cases it turns out that the driver is not deliberately defrauding the system but is a subscriber whose plate is not properly installed. He or she is then notified and a correction made.

If the vehicle is carrying an invalid identity plate or no plate at all, the

## The non-stop route towards a smart card for cars

Clive Cookson and Karen Fossli report on an automatic toll that heralds the era of the intelligent journey

authorities will fine the owner Nkr 300 (£25). They even try to pursue offending foreign drivers by mail.

After nine months of operation, only seven drivers in 1,000 pass through the toll station illegally. Most of these are people who drive through the Premid lanes by mistake and the toll operators expect the number of illegal passages to decrease to about two per 1,000 once people become familiar with the system.

Premid is based on electronic identity plates which Philips developed originally to keep track of items moving around automated factories. Cars being assembled in BMW, Fiat, Audi and Volkswagen factories are equipped with these plates.

The system has several other potential uses. For example, Philips is testing the plates for installation on high speed trains operating between Paris and Lyon, in France. This would

## An electronic identity plate the size of a cigarette packet is fixed to a side window

enable the distances between trains to be monitored and the information could be used to increase traffic.

But it is the automatic toll application that has aroused the most interest. Visits have been made to the Alesund tunnel by representatives from government departments responsible for roads in the UK, France, Spain, Italy, Japan and Australia. The EC would like to see European standards for automatic toll systems and it too has taken a keen interest in the system.

From the UK, Rodney Jones, manager of the notoriously congested Dartford Tunnel, where the M25 motorway crosses the Thames east of London, has inspected the Alesund

toll station. He was impressed by the technology, but does not expect to see a fully automatic toll system installed at Dartford until the early 1990s, when a new bridge will be opened alongside the tunnel.

Jones believes that, if barrier-free lanes similar to those at Alesund were used at Dartford, several hundred cars a day would drive through them illegally without identity plates. "Chasing up the payments would be a bureaucratic nightmare," he says. "It might be better to install the system with a barrier and accept that it would run a bit more slowly."

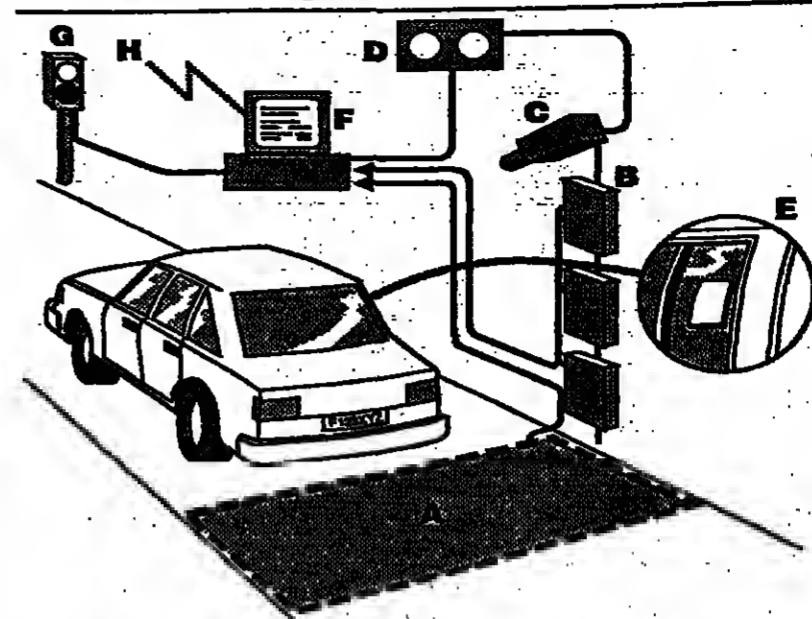
Philips is discussing the possible supply of Premid to Italy. There are about 2,000 entry and exit points on the Italian highway system, which at present have manually operated toll stations. It takes about a minute to complete each vehicle transaction. With Premid, vehicles could drive through without stopping and staffing costs would be much reduced.

Looking to the future, the company says that it aims to measure the speed of oncoming cars to improve the synchronisation of the system. It could then work with cars travelling at 70 mph on a motorway.

While Philips strives to improve the Premid system, competitors are developing similar techniques for automatic toll collection, though none is commercially available. Philips says that it knows of one US-based company which has plans to test a system this year. A small Norwegian firm is also developing one.

In the UK, researchers from Newcastle University and Newcastle Polytechnic are working on a microwave communications system for vehicles. They see automatic tolls as its first practical application and they have just gone into partnership with Marconi Electronic Devices, a GEC subsidiary based in Swindon, to commercialise the system. Its first trial is likely to take place next year at the Tyne Tunnel, east of Newcastle.

## The Premid toll system



A Vehicle detection sensor  
B Units for reading identity plates  
C Video camera  
D Video recorder

E Identity plate on window  
F Computer  
G Signal light  
H Communication with operational centre

The Newcastle team has produced a smart card for the car window which, at about the size of a credit card, is smaller than the Premid plate. It contains a microprocessor as well as a memory chip.

This additional intelligence means that if a subscriber pays in advance for a certain number of passages, the card itself will deduct the appropriate fee whenever the car passes through

## The Newcastle system could be used to transmit traffic information from roadside beacons

the toll. With Premid, a central computer has to process this information - and the Newcastle researchers believe that some drivers object to the idea of a computer keeping track of their movements.

The processing power and communications speed of the Newcastle system mean that it could also be used to transmit route guidance and traffic information from roadside microwave beacons to moving vehicles. The receiver card on the window would then be connected to a microcomputer on the dashboard. A driver could, for example, key in his intended destination and directions for getting there would appear on a small display panel.

Phil Elythe of Newcastle University says microwaves have several potential advantages over the current generation of experimental car guidance systems such as the UK's Autoguide and West Germany's Pilot, which use infra-red radiation to communicate with vehicles.

The main advantage of microwave communications is that the signals are not affected by the weather, whereas an infra-red receiver can be thrown out by direct sunshine or by fog or heavy rain. On the other hand, infra-red operates over a longer range than microwave. The Newcastle system has a maximum range of 10 metres, which means that a Mercedes speeding along at 150 mph on a German autobahn might not be in range for long enough to receive a clear signal.

The EC has just approved an Ecu 60m (£42m) research programme called Drives, which is intended to apply information technology to road traffic. One of the purposes of Drives is to compare infra-red and microwave systems and to develop standards for communications to and from moving vehicles.

The idea is that early in the next century it should be possible, with one smart card on the car window, to drive through any toll in Europe, from the Tyne Tunnel to an autostrada in southern Italy, and to receive guidance and traffic information from roadside beacons as you go.

## A package that makes sense of statistics

CUTTING through a mountain of economic and financial statistics to spot undervalued bargains is how investment analysts carry their daily bread. A software package launched this week could make their life a little easier.

Industry Monitor, developed by WFEA (Wharton Economic Forecasting Associates), promises to rationalise information from diverse sources. It works by taking the data and converting it to a standardised format. The material is updated overnight and can be used for graphs, reports or forecasting.

Information comes from the Confederation of British Industry survey of industrial trends, the Central Statistical Office and the FT Actuaries share indices. The three sources are based on different classifications, but Industry Monitor uses data that has been rearranged according to sectors used for the share indices - making it most useful for the financial community.

The designers believe the package will allow analysts to spot sectors which are undervalued or overpriced. For example, the share performance of an industrial sector can be compared with output or orders figures.

With the stock market still nervous after last October's crash, fund managers and analysts are putting greater emphasis on the quality of research. WFEA believes analysts by sector forms an important part of that strategy.

Bill Martin, chief UK economist at Phillips and Drew, the securities house, has been developing an economic model including industrial structure and flows between sectors. He says that, since the crash, analysts have tried to focus more on economic fundamentals, but have found "an enormous gap between macro-economic analysis and what the sector analysts say."

Industry Monitor runs on a personal computer with telephone link and is supplied on disks. It uses analytical software developed by WFEA and costs £11,100 for the first year and £7,600 a year thereafter - considerably less than a human research analyst.

Ralph Atkins

## FT LAW REPORTS

## No Panel injustice to Guinness

REGINA v PANEL ON TAKE-OVERS AND MERGERS, ex parte GUINNESS PLC Court of Appeal (Lord Donaldson, Master of the Rolls, Lord Justice Lloyd and Lord Justice Woolf): July 28 1988

The Takeover Panel committed no injustice towards Guinness in refusing to postpone a hearing as to whether its takeover of Distillers was effected by a concert party in breach of the City Code. In that Guinness had had evidence supporting its finding of concert party in its possession for nine months and had had ample time to formulate submissions, and there was no reason to think that a postponement would lead to disclosure of further or better information.

THE Court of Appeal so held when dismissing an appeal by Guinness plc from the Divisional Court's decision (2802 FTLR 50) not to grant judicial review of the Take-over Panel's refusal to postpone a hearing arising out of Guinness's takeover of Distillers Co plc.

LORD DONALDSON said that in December 1985 Argyle announced an offer for the shares of Distillers. In January 1986 Guinness put forward a rival offer. Panel Rules provided that where 15 per cent or more shares were purchased for cash, the offer should "except with the consent of the Panel... be not less than the highest price paid by the offeror or any person acting in concert with it".

The Rules defined persons acting in concert as persons who cooperated to obtain control of a company through the acquisition of its shares.

Guinness and those acting in concert with them at that time held marginally less than 15 per cent of the Distillers shares.

That meant that whereas the cash offer was 60 pence per share, if the 15 per cent limit was exceeded, Guinness would have to raise its offer to 75 pence per share, that being the highest price at which the Guinness concert party had acquired Distillers shares. Argyle was only offering 60 pence per share.

On April 17 1986 Mercury Warburg, which owned 8 per cent of Distillers shares, decided to sell by cash settlement to a buyer was found in Pipatec AG, a Swiss company. The agreed price was 705 pence per share.

When the deal came to the knowledge of Argyle's advisers, they invited the Panel to investigate with a view to finding out whether Pipatec was acting in concert with Guinness. The invitation to investigate was received by the Panel Executive on April 17 1986. The last day for either offer to be successful was April 18 1986.

Stockbroker, Casanova, said the order to buy the shares had been received from Banque Leu in Switzerland. Pipatec told Guinness that it had no connection with Guinness. That was confirmed in a letter dated April 17 from Guinness director, Mr Olivier Roux, to the Panel.

The Panel concluded that on the available evidence it should take no action. Guinness declared its offer unconditional on April 18.

On December 1 1986 inspectors were

appointed by the Secretary of State for Trade and Industry to investigate Guinness affairs.

In January 1987 Bank Leu wrote to Guinness referring to agreements between Guinness and the bank's subsidiaries, whereby the subsidiaries had agreed to buy £50m of Guinness shares and had confirmed the purchase of £75.5m Distillers shares, and Guinness had agreed to repurchase the shares within 60 days.

The letter stated that the documents setting up these arrangements were signed by Guinness directors, Mr Olivier Roux, and Mr Tom Ward. There followed a boardroom upheaval, as a result of which a new Guinness Chairman was appointed.

Guinness accountants were given a copy of a letter "the Pipatec letter" dated April 18 1986 purportedly signed by Pipatec and addressed to Mr Ward. The letter referred to Pipatec's having, on Mr Ward's instructions, bought £75.5m Distillers shares, and Guinness's having undertaken to pay Pipatec an arrangement fee of £47,250 and to repurchase the shares within 60 days.

On May 11 1987 the Panel became a "designated authority" by the Financial Services (Disclosure of Information) (Designated Authorities No 2) Order 1987. The effect was that the Secretary of State was permitted, but not required, to disclose information to the Panel which he had acquired from his inspectors.

In June the Panel proposed to investigate the Pipatec purchase. If a hearing was needed, it would be held on September 2.

In August the DTI passed the Pipatec letter to the Executive. On August 10 the Executive told the Guinness solicitors it had a copy of the letter. Guinness disputed its accuracy, and pressed that there should be no hearing. At a preliminary meeting on August 25 the Panel refused to vacate the September 2 hearing date.

On August 28 the Executive gave Guinness advisers the final version of its submissions for the September 2 hearing. It disclosed a letter from Allen & Overy, Bank Leu's solicitors, dated August 27 1987, protesting at the refusal to adjourn the September 2 hearing.

They said that Bank Leu had decided to confine itself to a short statement of facts for the purpose of the hearing. They stated that the Distillers shares were purchased by Pipatec, and were subsequently accepted to the Guinness offer for Guinness shares.

At the September 2 hearing the Panel held there had been a concert party operation. Guinness obtained leave to apply for judicial review of the Panel decisions of August 25 and September 2 refusing to postpone the hearing. The application was refused by the Divisional Court. Guinness now appealed.

The judicial review jurisdiction of the High Court was supervisory. It had a large discretionary content. It was not the court's practice to entertain an application for judicial review unless and until all avenues of appeal had been exhausted.

Essentially the August 25 application was for a long adjournment, ie until after all proceedings, civil and criminal had been concluded, and the DTI report had been published.

The September 2 application was essentially for a short adjournment to enable Guinness to respond to the Executive's final submissions.

In the circumstances of the present appeal it was appropriate to consider whether something had gone wrong of a nature and degree which required the intervention of the court, rather than to approach the matter on the basis of separate heads of *Wednesbury* unreasonableness and unfairness or breach of natural justice.

Mr Oliver for Guinness submitted that the Panel approached the matter as though it were an investigation taking place within the constraints of time imposed when a bid was current, whereas the bid had been concluded 15 months earlier.

It was not unreasonable for the Panel to regard the investigation as having some of the character of an investigation contemporaneous with the bid because, first, it was concerned with precisely the same issue as arose during the bid, and second, assuming there had been a concert party, the primary reason it was not dealt with during the currency of the bid was that Mr Roux for Guinness had falsely confirmed in the April 17 letter that Guinness had made no financial arrangements with Pipatec.

On August 25, there were very powerful indications that Pipatec had been involved in a concert party operation. Unless the Panel were to embark on some further and different methods of investigation, there was no realistic basis for believing that an adjournment would provide it with other or better evidence.

By September 2 the Panel had the Allen & Overy letter containing the Bank Leu statement. It amounted to a complete admission that the Pipatec purchase was indeed a concert party operation.

The September 2 application was based on the late arrival of the Bank Leu statement and Guinness's need to indulge in frantic activity if it were to prepare an adequate submission over the Bank holiday weekend.

Of actual injustice there was no trace. The essential evidence supporting a finding of concert party along the lines set out in the Pipatec letter, which had been in Guinness's possession for nine months, and the corroborative evidence, apart from the Allen & Overy letter, had been in Guinness's possession for ample time to enable it to formulate submissions, as indeed it had been continually urged to do.

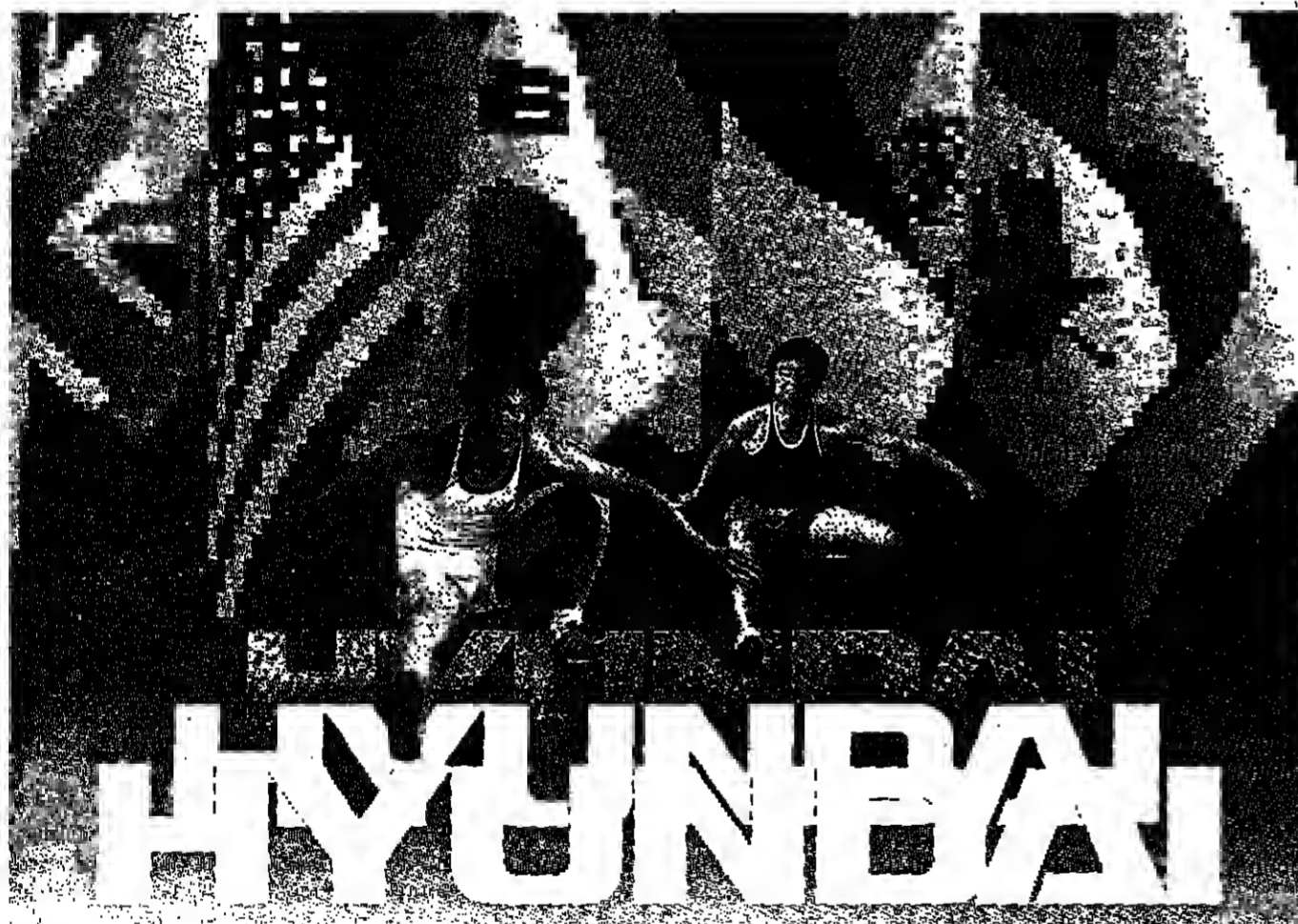
While the Panel could never have been criticised if it had granted a short adjournment, its decision not to do so was not wrong.

The appeal was dismissed. Lord Justice Lloyd and Lord Justice Woolf gave concurring judgments.

For Guinness: David Oliver QC, Richard Field QC and Patrick Elias (Herbert Smith & Co)

For the Panel: Roger Buckley QC and Paul Walker (Loell White Durston)

Rachel Davies  
Barrister



## HYUNDAI Catch The Olympic Spirit

For us at Hyundai, the Olympic Games are something special. Special because they call for the same dedication, commitment, and outstanding performance that we do.

The spirit of achievement is what gives life to the Olympics, and what guides the Hyundai Business Group. It's why we've succeeded in many key industrial sectors, such as automobiles, construction, shipbuilding and steel in the world, and it's why we will continue to set the pace in high-technology fields of electronics, robotics and communications without knowing any limitations.

Hyundai's philosophy of consistent commitment to customer satisfaction has proven itself, making possible Olympic-class achievements time after time and it will surely continue to be our philosophy of business in the future.

Hyundai, Olympians in Business.

**HYUNDAI**

140-2 Kye-dong, Chongro-ku, Seoul, Korea.  
TEL: 741-2111/20, 741-4141/70  
TEL: HYUNDAI K2011/5, K25175/7HD CORP.



ARTS

One big bang — and several whimpers

Max Loppert sums up the second part of Bayreuth's Ring

So now we know, Bayreuth's new Ring is the one — it had to come, sooner or later — in which Brünnhilde sets off a nuclear explosion at the end of her final Immolation Scene...

is the high point of the Bayreuth visit. It is odd, given Kupfer's formidable reputation for making dynamic dialectic out of opera, that it is the small things that seem valuable and memorable...

It is a serious matter when any producer makes something so ludicrous of the climax. The case against reviewers spilling such beans is clear, but having weighed it up, I concluded that it would probably be more helpful than harmful to warn visitors to the Harry Kupfer production that a final ten minutes of the most stupendous kitsch awaits them...

The Bayreuth Ring — case for a re-think. The high-tech tricks (such as the laser-beam banks) meant to dazzle — lands more than one dramatic development in self-imposed difficulty. No doubt the charge of lack of atmospheric variety, of differentiation between Ring locations, and of simple eye-appeal (not to mention charm, beauty, poetry, tenderness, or the myriad other qualities that the operas are also capable of imparting) will not be made by every Bayreuth audience-member equally...

Kupfer and Barenboim have made up their cast from first-time Ring performers, and it tells. For Deborah Polaski's Brünnhilde the future, I fear, is not bright: she is obviously a serious singer and actress, and has robustly thrown herself into the production, but the insufficiency to the task of so ill-schooled a soprano voice, with so lit-and-missed a top register, is a masterwork of Wagner's... The opening Serenade, Balanchine's proving ground for his earliest students in the United States, is a masterpiece which today has an especial relevance for the Harlem artists...



The Harlem Dance Theatre in action. Harlem Dance Theatre COLISEUM

Into a London already bulging at the seams with appearances by the Kirov, Australian and Festival Ballets, comes a fourth visiting troupe — Dance Theatre of Harlem. Always an ensemble with a fond public, the company opened its season last night; alas, it was a less than engrossing programme, albeit the dancing served to alleviate something of the choreographic nullities in the evening.

There seems to be a growing possibility that British television is heading for a historic, tragic, and unnecessary decline. The reasons are fairly simple: the Government (or at least the Cabinet... well, Margaret Thatcher anyway) is determined that this enterprise economy shall be imposed upon the broadcast...

TELEVISION Market dogma hits the screen

is represented by the MPs being shown the tape. Some of the ideas going into the White Paper could benefit viewers and might lead to wider programme choice. A fifth terrestrial channel, and in the 1990s a sixth, would probably be welcomed by many viewers, eventually. A single authority for the whole of commercial television — terrestrial, cable and satellite — is less sensible than taking the state out of television altogether and leaving control to the law of the land (a really sound Thatcherite policy, you might think) but more sensible than the proliferation of quangos, and that body might as well be the IBA.

American and spends much of his time there) it seems that when video recorders finally began to sell, they were indeed used to provide an alternative to terrestrial television, not the by-product of a new technology. British, on the other hand, have never taken to movie rentals in a big way; in 1985 fewer than 30 per cent of owners rented even one movie a week. The British are a nation of time-shifters. On Tuesdays they watch Eastenders and tape Bless This House for viewing later. On Wednesdays they watch Wings and record Coronation Street, and so on. Whereas Americans are often fed-up with poor quality pictures and over-frequent commercials from terrestrial television, the British, according to this evidence, are not only happy with their existing terrestrial television, they are actually using their VCRs to get more of it.

Most politicians could hardly care less about programmes. They are interested in 'broadcasting'. to be underestimated — an undervalued but powerful determination among politicians to ensure that upply broadcasters do not become any more dangerously influential than they are now believed to be. Shambled and shambled, these are two words which are starkly absent from that list: programmes and viewers. The trouble is, it seems, that most politicians could hardly care less about programmes. By and large, they are interested in 'broadcasting'. For an MP nowadays that tends to mean all the dirty bits collected onto a videotape by some self-appointed keeper of the public morals; or it means a carefully edited selection of extracts from the week's current affairs programmes, arranged to prove that broadcasting is hideously biased against whichever party

David Thomas in a Man and Music production. Would there be room for such programmes in the new market? But none of that alters the fact that the results of their work in programme terms and viewer satisfaction have been remarkable. Last week Rupert Murdoch, whose Sky TV plans to start beaming four satellite channels into Britain early next year, attacked the BBC and ITV for being "deeply elitist". He claimed that dissatisfaction with existing television had been demonstrated by the way sales of video recorders had swept through Britain, faster than any other. "It was bred out of frustration at the sort of programmes they (the viewers) were being force fed by existing TV companies."

Those hoping to run satellite systems tend to identify ITV as a cosy, and strongly ensconced, duopoly into a programme production system driven solely by market forces, is already occurring, even though the White Paper has not even been drafted yet. Let alone become law. Determined to avoid extinction and to limit damage, the ITV companies are cutting back on high quality (expensive) programmes, moving rapidly to diversify their activities beyond broadcasting, and generally attempting to pre-empt the effects of the Government's plans. Shareholders may benefit. Murdoch, Maxwell and Berlusconi will almost certainly gain, whatever happens. The advertising agencies may be slightly happier. But considered in terms of viewers and programmes, the outlook is increasingly dim.

Have your F.T. hand delivered every morning in Switzerland. If you work in the business centre of BAAR, BASEL, BERNE, GENEVA, LAUSANNE, LUGANO, LUZERN, ST GALLEN, ZUG, ZURICH or WINTERTHUR — gain the edge over your competitors. Have the Financial Times hand delivered to your office. Then start every working day fully briefed and alert to all the issues that affect your market and your business. 12 FREE ISSUES. When you take out your first subscription to the F.T., we'll send you 12 issues free. Then see for yourself why William Ungeheuer, Time magazine's senior financial correspondent, describes us as "the paper with the best coverage of international finance." Geneva (022) 311604. And ask Peter Lancaster for details. FINANCIAL TIMES. European Business Newspaper.

ARTS GUIDE July 29-Aug 4. THEATRE London. Two Clowns By Bill (Old Vic). A Fine Georgian production by Richard Jones. The play is a comedy of manners in an old-fashioned setting, with a brilliant cast including... Netherlands. Amsterdam, Stadschouwburg. The English-speaking Theatre of Amsterdam... Chicago. Fal Joey (Goodman). Set in Chicago in the 1940s, this Rodgers and Hart comedy is a musical comedy that follows in haunting melodies the episodes of a classic heel caught between the one who loves him and the rich lady he wants. Ends Aug 7. (443 3830). Tokyo. Comet Messenger (Siegfried). Pantomime open air theatre, Tama. Described as a "kinetic theatrical fantasy on the evolution of man and his dream of light," this production by Japan's liveliest experimental group, Yama no Yumetama, returns to Tokyo following performances at the First New York International Festival of the Arts. Based in part on Wagner's Ring cycle, they feature three sisters called Val, Ky and Rie — as well as Galileo, Tom Sawyer, Moby-Dick, a coot named God. A commentary in English, at the performances on Aug 3-4, is not likely to make the plot any clearer (466 1001).

Sofia International Film Festival for children and young people. Follow the daily antics on the screen and in the bulletin of "Sofia" caricaturist Nikolai Todorov's button-eyed, buck-toothed festival talker — and that grin spreading across an impish face implied that all was well with the children's film today. Listen, however, to Roland Bykov, Chairman of the Soviet State Committee for the Children's Film, and the contrary message is loud and clear: "Due to a conspiracy of the talented in the past, this is exactly where perestroika is needed the most — in the children's film."

Harlem Dance Theatre. erable choreography. Footprints Dressed in Red) was set by Garth Fagan to a minimalist score by John Adams that seemed maddened by its own repetitions. The cast, modestly outfitted in blue draperies, the men with one leg bare — behaved as if an aerobic lesson had developed ideas about its station, before finally indulging in a few contorted classical steps. These activities had a somewhat thunderous air, as if statements were being made. What they were I could not tell, but I fear they might have been comic about dance, life and art. What I saw was the merest of what I saw, allied to this little sequence of movement, which the performers could not transcend. Phoenix Rising by Billy Wilson and Arthur Mitchell, which ended the evening, purported to be about greatness born from adversity. I must note that after the adversities of sitting through it, no signs of greatness have been manifested to me. The piece boasts a score of percussive and unrelenting brasses, projections of a naked body, and it looks as if Le sacre du printemps was being staged as a cabaret number. The men wear Phrygian caps and loincloths; the women are given all-over tight on which a thoughtful hand has drawn breasts and navel; a group of priestesses are en grande toilette with straw skirts. The dancers indulge in ethnic stampings that have a deeply spurious air, for all their tremendous energies, and after a time the curtain falls. Ringing cheers — but not from me. Clement Crisp



# FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4 4BY  
Telegrams: Finantimo, London F84. Telex: 8954871  
Telephone: 01-248 8000

Wednesday August 3 1988

## The Ecu steps forward

IT IS always refreshing when Mrs Thatcher's Government does something positively European. So yesterday's announcement that the Treasury intends to borrow on the international capital markets by issuing bills denominated in European Currency Units (Ecu) is welcome.

It is not, of course, the major step towards European monetary union that some would like. Nor is it a substitute for the full membership of the European Monetary System (EMS) which is required if Britain is to play its full part in the development of a single Community market. But the move will give credence to the Government's view that while others are debating an immediate and impracticable leap to full monetary integration, Britain is prepared to take pragmatic steps along the road to closer co-operation.

From the perspective of Mr Nigel Lawson, the Chancellor, the decision will also add substance to his claim that he has not given up on efforts to promote greater exchange rate stability through intervention in the markets. Borrowed Ecus will provide another weapon in the Bank of England's intervention armoury: one that, over time, will enhance its ability to influence sterling's exchange rate not just against the dollar or D-Mark but against all European currencies.

### Embryonic

The European-wide appeal of the move lies in the fact that by issuing Treasury bills in Ecus, the Government will give a significant boost to the private market in the embryonic European currency. This has developed rapidly over the past few years, but it has lacked a high-class, easily tradeable short-term instrument. The tax provisions and technicalities governing the Ecu bills already issued by the Italian authorities have ensured that their appeal is limited to the domestic Italian market.

When it starts its monthly auctions in the autumn, the Bank of England can thus expect to find eager customers both among the many central banks already holding Ecus in their reserves and among international financial institutions and private investors.

## Chilling words from the UN

THE IRAQI regime stands doubly exposed by the latest developments at the United Nations. On the one hand its sincerity in seeking peace is called in question by its sudden discovery, at the precise moment when Iran had at last accepted Security Council Resolution 598, that direct negotiations at foreign minister level are an indispensable precondition for a ceasefire.

On the other - and a source of even greater concern to the world outside the immediate area of the conflict - UN investigators have, more explicitly than before, confirmed the "repeated utilisation" of chemical weapons by Iraqi forces, and have found that "such use has become more intense and more frequent"; whereas Iraq's counter-accusations against Iran have not been substantiated. It is thus more than ever clear that Iraq, having first resorted to the use of chemical weapons in flagrant violation of international law, to contain an Iranian offensive in 1984, has been emboldened to do so again and again on an increasing scale; and that these weapons have played a significant if not decisive role in the recent Iraqi victories, helping to break Iranian morale and so to determine the outcome of the war.

### Kurdistan

As if that were not enough there is also evidence, not considered by the UN investigators whose remit was confined to Iraqi acts against Iran and vice versa, that the Iraqi regime has used chemical weapons on a large scale against its own citizens in Kurdistan, causing considerable loss of civilian life.

These are very chilling conclusions because their source seems so unmistakably to be that crime does pay, Iraq, which in 1984 appeared to be fighting for its very survival is now emerging as the victor, on points if not by a knockout. It has achieved this remarkable turnaround in its fortunes at least in part by recourse to a type of weapon which is internationally outlawed, yet it has

The Bank's ready admission that one of the key aims is to ensure that London develops as the centre for Ecu trading is also a bid to encourage other Community governments to follow its lead. It is hard, for example, to imagine the French government standing by while London grabs the bulk of business in Ecu government bonds. Even the West German Bundesbank, which has so far refused to diversify its reserves, may eventually be persuaded that it should hold Ecus as well as dollars.

### Co-operation

The attraction of promoting the unit as a step towards eventual monetary union is that it will generate its own pressure in the financial markets for closer co-operation among governments. If the Ecu develops further as a credible store of value to national currencies, then the markets themselves will eventually demand that it be given the same privileges afforded to those national currencies. That would represent the promotion of enhanced monetary co-operation from the bottom up rather than from the top down, a route that may prove more realistic than some of the more grandiose schemes now on offer.

In addition, increased holdings of Ecus by central banks could eventually enhance the bank's ability to promote wider exchange rate stability against the dollar. Intervention in an active and liquid Ecu market would allow them to seek to influence the rates of all EMS currencies - and not just that of the D-Mark - against the dollar.

For the time being Britain can congratulate itself on being both a good European and on being relatively canny in stealing a march for London in the Ecu business. But Mrs Thatcher must not stop there. If pragmatism and realism have considerable attractions when contemplating full monetary union, the case for full British membership of the EMS is equally practical. A vibrant London market in Ecus as 1992 approaches will be no substitute for the exchange rate stability that British industry needs and wants.

### Original error

Just as it was difficult for the UN Security Council to repair its original error of failing immediately to condemn aggression and call for a withdrawal of the invading forces in 1980, so it is difficult for it now to repair its error of failing even to attempt any sanctions against Iraq for its use of chemical weapons. Iraq's victory cannot be taken away from it, any more than the dead Iranian soldiers and Kurdish civilians can be brought back to life.

Yet somehow other potential users of chemical weapons have to be convinced that they cannot do so with impunity. A declaration that in future proven use of chemical weapons will automatically trigger a general embargo on supplies of both arms and civilian chemicals to the offender might be helpful and would perhaps gain some credibility if the Security Council now puts more effective pressure on Iraq to accept a ceasefire and observe all the clauses of Resolution 598 than it did on Iran in the previous year.

There should also be greater efforts to speed up agreement in Geneva on banning the production and stockpiling of chemical weapons worldwide. Ironically the verification problems which have made the US, in particular, reluctant to do this are much less acute for the kind of weapons that Iraq has used than for the more sophisticated ones which only Nato and Warsaw Pact countries are likely to be able to produce.

### Loss of Weights

Do not be surprised to see an outbreak of gym shoes on corporate umbrella stands

## Peter Montagnon and David Buchan examine the EC's dumping policy

# Stretching the Gatt to its limit

**A**fter months of feasting acrimony over the tougher stance on dumping adopted by the EC since last year, the issue looks set to come to a head. Last month, Japan, which has borne the brunt of the EC restrictions, announced that it was beginning procedures that could lead to a formal complaint to the General Agreement on Tariffs and Trade (Gatt).

This move involves a proposal for bilateral talks in the Gatt as the first stage in a disputes procedure which will probably lead to the formation of an arbitration panel in the autumn.

Senior Commission officials in Brussels say none of the measures used by the EC are inconsistent with the Gatt but critics warn that, at the very least, the community is stretching existing rules.

In the process, continue the critics, precedents are being set that could have a bearing not only on EC trade policy in the run-up to the formation of the single market in 1992, but also on the broader Uruguay Round of multilateral trade negotiations which is now under way in Geneva.

Measures which have been taken by the EC Commission to tighten up its anti-dumping procedures include:

### Pure economic theory suggests that the true losers in dumping cases are the companies which dump in the first place

- The imposition of duty on products assembled in Europe using components largely imported from Japan. Penalties against such "screwdriver" operations were imposed in April on electronic typewriters produced in Europe by Canon Bretagne, Kyushu Matsushita, Sharp and Silver Reed, as well as on electronic scales produced by TEG (TK). These are now the subject of Japanese protests to the Gatt.
  - The initiation of a dumping enquiry against Hyundai Merchant Marine of Korea - accused of predatory pricing in what is believed to be the first anti-dumping action against a company in the services sector.
  - A decision earlier last month to impose additional penalties on companies which, having been accused of dumping, do not pass on the duties imposed to their end customers.
- Contrary to common perceptions, EC anti-dumping actions under the new policy have not increased. As the chart shows, the number of investigations in progress fell steadily to 62 last year from 64 in 1984, but the number of cases in which provisional duties have been imposed rose to 13 in 1987 from 11 in 1984.
- These have attracted attention because they frequently involve large volumes of business. The latest EC action against Japanese photocopyers covered trade worth \$1bn (\$666m), that against computer printers \$1.2bn. Moreover, they highlight ambiguities

in the Gatt code on dumping which, some argue, is ill-adapted to the rapid changes of present-day commerce.

The Gatt code allows anti-dumping duties to be imposed when a product is being sold at less than the comparable price in the exporting country or at less than the cost of production plus reasonable selling costs and profit. The importing country has to prove that the pricing of the product is causing or threatening to cause material injury to its own producers.

The code is open to interpretation, however, in its prescription of the methods which can be used to prove that dumping exists.

It also has little or nothing to say about three contemporary phenomena: the impact of volatile exchange rates on relative prices between one country and another; the short cycle of high-technology products which causes prices to fall rapidly as new, more sophisticated, goods start to come on to the market; and the rapid growth of investment flows which have made it easier for companies to avoid the risk of dumping charges by establishing assembly plants inside the markets with which they trade.

It is on this last point that the disagreement between Japan and the EC has been most bitter. The EC claims that its action against the "screwdriver" plants is simply designed to catch attempts by Japanese companies to circumvent dumping duties by importing components to Europe and then finishing the products.

Such action is confined to cases where a positive finding of dumping has already been reached for the finished product. Local assembly must have started or increased since the duty was imposed, and more than 50 per cent of the parts must be imported from the offending country.

The EC says it is allowed by the Gatt to take such action to prevent circumvention of anti-dumping actions, but Japan argues that the effect has been to impose dumping duties on components without any investigation as to whether or not they have been dumped.

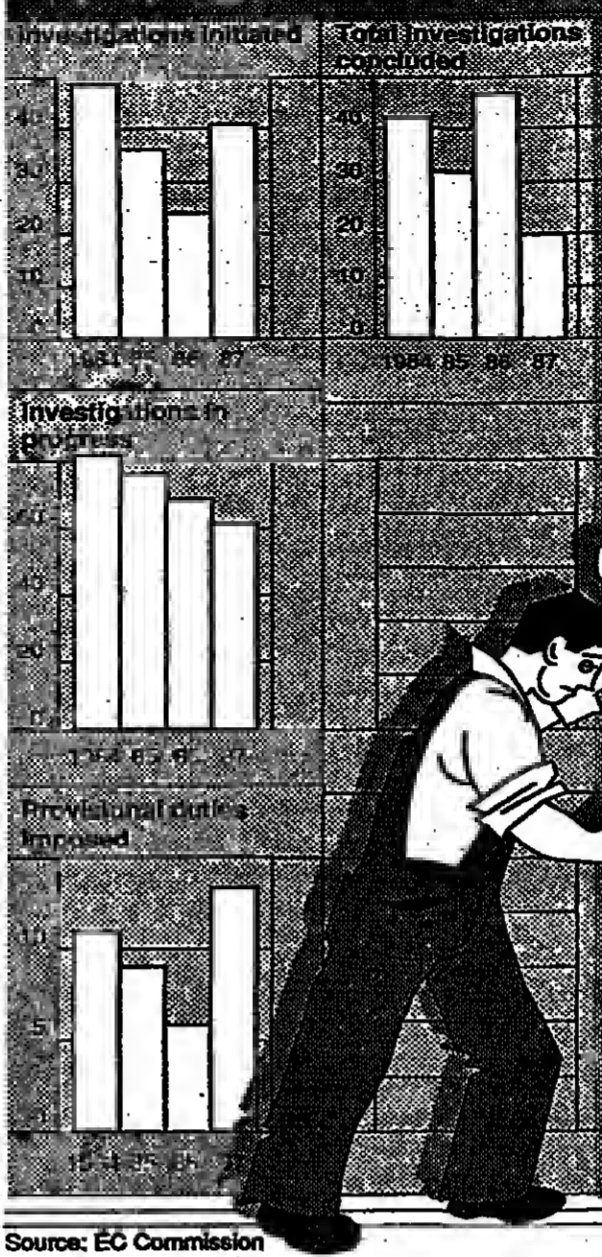
Moreover, the EC has now imposed a unilateral minimum 40 per cent requirement for non-Japanese content. "We don't argue against regulations to prevent circumvention of anti-dumping procedures. We are arguing that this regulation went too far," says Mr Katsuo Setti, Director of the West Europe Trade Division of Japan's Ministry of International Trade and Industry (MITI). He adds that it is not unreasonable for Europe to insist that a local content of 10 to 15 per cent is too low, but he believes a 40 per cent requirement is too high.

All this assumes, however, that dumping has taken place. EC officials are convinced that it has. "Anybody who says that Japanese companies have not been dumping in the EC is talking nonsense," says one senior official, pointing to the wide 88 per cent dumping margin found against Fujitsu's computer printers in May.

Others are not so sure. Dr Brian Hindley of the London School of Eco-

### EC anti-dumping actions

#### WAREHOUSE



nomics, an expert on dumping, says "the way the EC calculates dumping margins for Japanese producers can produce results that, as an economist, I would be very sceptical about."

The selling price of an individual product is not necessarily uniform, he believes, and situations can arise where the same product is sold abroad at prices that are both higher and lower than the domestic price. But the EC refuses to average out these prices, and counts any example of undercutting as incriminating evidence, thus tilting in favour of a positive finding of dumping.

Meanwhile, MITI insisted last week that the EC had failed to come up with conclusive evidence that imports of Japanese electronic typewriters and other products had damaged European manufacturers.

Japanese industry complains that in seeking to establish injury in the case of computer printers, the EC Commission was not comparing like with like. European companies produce printers for the upper end of the market, Japan for the lower end and comparing the two is "like comparing a Rolls-Royce with a Fiat Uno", according to Japanese officials.

EC Commission officials say they go to considerable lengths to ensure

that like is being compared with like in dumping inquiries, but there is clearly room for different interpretations which could argue for a closer look at the Gatt anti-dumping code in the course of the Uruguay Round.

In any case, the EC has been caught in a different way by the code. It has no provision for exchange rate valuations which has made it hard for Europe to pursue cases against South Korean manufacturers of video-cassette recorders and tapes, television, artificial fibres, chemicals and micro-wave ovens. Officials claim that the undervaluation of the Korean won, possibly by as much as 30 per cent, has made it hard to prove dumping.

In the short run, however, the more aggressive stance adopted by the EC on Japanese dumping has paid off in an unexpected way. Though officials have long considered that action, particularly against "screwdriver" plants, was likely to reduce investment flows from Japan to Europe, such spending has in fact increased markedly.

Last year, according to figures compiled by the Ministry of Finance in Tokyo, investment by Japanese companies in Europe jumped to \$6.78bn from \$3.47bn, an increase of nearly 90 per cent compared with 50 per cent for the rest of the world. At long last

too, European officials say, more of this investment is going into manufacturing facilities instead of sales and distribution companies, and the financial sector.

Luxembourg still attracts a lot of Japanese money - it was the second largest recipient of investment flows in Europe last year with \$1.76bn - most of which is thought to have been used to capitalise Japanese banks in Washington, County Durham, say that other companies are now beginning to develop a genuine manufacturing base in Europe.

For the international trading community, however, the question remains as to whether such gains were worth the risk and cost in the form of higher prices for consumers. In favour of anti-dumping actions, so that consumers who gained initially end up bearing a heavy price.

Unless dumping is stopped at an early stage, whole industries risk being priced out of their markets. The original dumping can carry out a message that a number of European producers of photocopyers like Agfa-Gevaert, Kalle and Gestetner have been squeezed by cheap Japanese imports and now themselves import the product from Japan.

Feelings are likely to run high on this point for years to come, but meanwhile, trade experts say there are few practical working solutions from the EC's more aggressive policy.

The first is that a decision by Japanese companies to produce components within Europe may end up putting pressure on indigenous manufacturers. Mr Takao Matsumura, a senior executive of Matsushita Electric Industrial which has carefully integrated its European VCR operations with Grundig and Robert Bosch, says stricter dumping rules may have increased the investment flow but will not do much for European component makers. The problem may change from being a purely trade-related one, to one principally about investment.

Second, there is a growing fear that Europe's tougher stance may increase the pressure on Europe's trading partners to consider voluntary export restraint arrangements in certain products, adding to the strain on the world trading system from such bilateral agreements. This would follow the pattern set by the US's controversial pact on semi-conductors with Japan which was struck after Washington threatened action under its unfair trade laws.

A concerted effort to revise the Gatt's anti-dumping code would reduce this risk if it resulted in new and fairer rules, but trade diplomats in Geneva say that such an outcome is unlikely as part of the Uruguay Round. The US, EC, Canada and Australia are the four trading powers which act against dumping most frequently. Two of them - the US and the EC - also happen to be leading players in the round itself.

## PM in sex change row

Given the historically uneasy relationship between Downing Street and the FO, it is rare to find a King Charles Street spokesperson clarifying a statement made by Mrs Thatcher. But in Alice Springs yesterday, the Prime Minister seems to have got it wrong; and more importantly on a subject dear to the heart of many Britons.

Appearing as a guest on Australia's School of the Air, Mrs Thatcher was asked if she had any pets. Yes, she said, there was one, a cat called Tabby. With a marked softening of the familiar Thatcher style, she explained how two-year-old Tabby had turned up at Chequers as a stray but had been welcomed into the bosom of the family. Now, as a result of good feeding, she had a lovely coat, and was a nice, friendly animal, although somewhat reticent about people.

The popular press, also feeling rather stray and unfed in terms of news, sniffed copy. Here, at least, was a worthy successor to Wilberforce, the famous mouser who served five Prime Ministers at Downing Street. Denis Thatcher, tackled later on the RAF VC-10 en route to Canberra, asserted, however, that Tabby was a male.

Ever anxious to get its sexual facts right, the tabloids sought urgent clarification. It was provided with an on-the-record statement by the Foreign Office man. Tabby was, in fact, female, although her name was not Tabby. She answered to the name of Kitty. Perhaps for someone somewhere on the Tory back benches the story will strike a vague chord.

## Loss of Weights

Do not be surprised to see an outbreak of gym shoes on corporate umbrella stands

## OBSERVER

around the Square Mile in the coming months. No, it won't be because chairmen have started jogging to lunch appointments. The explanation is a more sedentary, high tech form of exercise which is the City's latest import from the US.

It is being purveyed by the Health and Tennis Corporation of America, whose first fitness centre in the UK was opened yesterday at the Barbican by Princess Diana. For a mere \$900 joining fee plus \$30 per month the tired executive may mortally fantasise on a range of ingenious machines.

The centre explains for example that modern weight lifting machines should have no weights. A visible stack of ironware might cause the chairman with a weak biceps to lose face before beefier subordinates.

American engineers have therefore developed hydraulic exercise machines whose "weight" can be adjusted with a discreet fingertip control by the victim himself. Nobody need know how much - or little - he is pushing.

In the bar, though, the chastened executive may undo all the previous good by watching a Reuters Monitor screen perched above the bottles.

## After dinner

Ray Morgan, who sold his media independent, RMP, to Saatchi & Saatchi this week for \$2.4m-plus, is still rather bemused by the changes that a dinner party chat brought three years ago.

In 1985, he was media director of Benton and Bowles, the advertising agency, where he had worked happily for 28 years, trying to advertise space on television and in the press.

Then B and B was taken over by the US agency, D'Arcy McManus Masius. After a



period of uncertainty and frustration Morgan found himself round the dinner table at his Kensington home with his immediate deputies, Derrick Southon, Mike de Vere, and Christine Walker, where they decided to set up their own business.

Three years ago this week, the partners opened their doors - with former B and B clients queuing up to give them more than £30m billings. That has now grown to £70m.

## Reverse roles

One of the more bizarre reversals of role in international diplomacy is on display in this week's UN talks on a Gulf ceasefire. In one corner is Iran's Foreign Minister Ali Akbar Velayati, sucking out for the moral high ground after a year of international opprobrium over his country's refusal to accept Security Council resolution 598.

In the other skulls Tariq Aziz of Iraq, once applauded for accepting a ceasefire in principle, now in the doghouse over Iraq's use of chemical weapons and its stalling tactics.

The Iranians are handing their new-found place in the

## Reverse roles

sun with considerable panache. Velayati has turned against Iraq the exact arguments used on him for the last 12 months, branding the regime uncivilised and accusing it of defying the international community.

Velayati and Aziz, nevertheless, have a surprising amount in common: they are both highly intelligent (not to say devious), slightly off of character with their governments and great survivors. Aziz, the urbane, cigar-chomping diplomat, has long been one of the insiders close to President Saddam Hussein, and as first deputy prime minister is the most prominent Christian in a most Moslem-dominated regime.

Velayati is the only Western-educated figure in the upper echelons of the Iranian Government, with a degree in medicine from Tehran University before qualifying in the US as a paediatrician. Elected to the Majlis (Iran's parliament) soon after the revolution, he became Foreign Minister in 1981 at the age of 38. His pragmatic policies of trying to build relations with Western countries have not always enjoyed favour within the regime. Today, however, Velayati is back in the saddle, and evidently enjoying every minute of it.

## Rice move

Commercial Union, one of the biggest of the composite insurers, can hardly avoid the irony of its appointment of one of its steepest former critics, Peter Rice, as corporate finance and planning manager.

Rice, an Ulster born actuary, was London's most respected stockbroking insurance analyst until the last County NatWest Wootton Bassett recently. It was there seven years ago that he began sounding the alarm about CU's ill-fated dash for growth in the US. His strongly disputed claim that its reserves were too scanty was vindicated when the company suffered dreadful losses in 1984.

## SHARELINK

**BUYING OR SELLING SHARES?**

**PHONE 021 200 2242**

ShareLink is the 7 day-a-week share dealing service.

Phone between 8.30am and 6.00pm on weekdays and from 10.00am until 4.00pm at weekends.

Minimum commission £15 + VAT.  
Minimum purchase order £100.

ShareLink Limited, Members of The International Stock Exchange and The Securities Association.  
A subsidiary of British Telecom.



David Marsh interviews the head of West Germany's counter-intelligence service

An open door to secrecy

In Britain, Mr Gerhard Boden would - officially at least - simply not exist. The stocky, 68-year-old head of West Germany's counter-intelligence service, the Bundesamt für Verfassungsschutz (BfV), is, however, alive and well and can be interviewed in his well-protected office building in Cologne.

Mr Boden is in charge of the West German equivalent to Britain's MI5, which is wrapped in official secrecy like MI6, the foreign arm of the UK intelligence services. Britain's Parliament has been debating a recent government White Paper that would shroud the security service in even greater secrecy. In the Federal Republic, as a reaction against the crimes of the Third Reich, the intelligence services set up by the post-war states are discreet, but open to scrutiny. In fact, they insist on secrecy. After a long career in the police force, anti-terrorism and counter-espionage work, Mr Boden took over the Cologne agency in April last year. Set up in 1950, the BfV's name literally means "Office for the Protection of the Constitution".

The BfV even puts out a brochure, carefully translated into English, on the basic tenets of its operations

Three have police powers. BfV officials cannot arrest or interrogate suspects or search premises, but instead have to hand over these matters to the federal police or public prosecutor. The BfV even puts out a brochure, carefully translated into English, on the basic tenets of its operations. Under "intelligence methods", it informs readers that these include: "The infiltration or recruitment and handling of agents in extremist or terrorist organisations; the surveillance of suspects; secret photography; interception of post and telecommunications; other measures to conceal certain BfV operational activity by the use of non-attributable vehicle registration numbers or identity cards with cover names."



Erich Mielke, the legendary 80-year-old East German Minister for State Security, who has been East Berlin's chief spy-master for more than 30 years. "I know him very well," says Mr Boden, "and I imagine he knows me too. This has always been my method, also as a police officer - to try to find out who my opponent is. This is necessary in order to understand and evaluate him better."

Perhaps as many as 3,000 eastern "agents" of various kinds may be operating on West German soil. This would range from professional spies to a much larger number of small-time "collectors" of information. "Eastern services, in our experience, in times of détente have a special desire for information. They want to know more, and they want to know it early," says Mr Boden.

Additionally, opportunities for spying tend to increase at a time of political thaw. This year, about 160,000 German national emigrants from the Soviet Union and eastern Europe are expected to settle in West Germany. Although the Bonn government welcomes the sharp increase in arrivals, the emigrant stream also provides a golden opportunity for the East bloc to bring in spies.

"We have a system, although it is not perfect, for registering when emigrants have been approached and asked about procuring information," says Mr Boden. "The numbers have been growing. We cannot and do not want to say that each German-origin emigrant is suspect. The people who come to us are German by constitutional right. This gives us a special problem compared with other western counter-intelligence services."

Although he says that not too much meaning should be attached to the increase, 34 people were arrested in West Germany up to mid-July on suspicion of spying. This is the same number as in the whole of last year.

The most spectacular coup this year was the detention of seven men in

March on suspicion of working for the KGB. Charges have yet to be preferred. The first court case comes up later this month. Several of the suspects are Soviet emigrants who had settled in the Federal Republic.

The spate of arrests has helped underpin the BfV's claim that it has succeeded in making good damage done by the defection to East Germany in 1988 of one of its top spymasters, Mr Hans-Joachim Tiedge. Mr Tiedge fled after the BfV failed to help him sort out his drink and debt problems. Mr Boden says he has introduced a system under which any employee in similar personal difficulties can come in and talk things over. He sees about three people a week on this basis. "It is inevitable that in an institution like ours, employees can have problems," he says.

The KGB clamp-down in March came a week after the BfV was reminded of another constant preoccupation, with the arrest in Bonn of Ms Elke Falk, a 43-year-old secretary working for the Development Ministry. Ms Falk is alleged to have passed on information from her job in various government offices to a "roméo" East German agent with whom she fell in love. About a dozen "secretary affairs" have come to light in the past 10 years, confirming Mr Mielke's passion for setting loose his agents on single, middle-aged Bonn women.

Mr Boden says these cases are "tragic". He uses the Falk affair to underline a security point. He says it confirms the need for a new vetting system introduced this summer which allows the intelligence services to investigate the personal friendships of government workers.

"If it had been possible to investigate Fran Falk's man-friend, we would have established that he had a false identity. At the beginning of the affair, that would have saved Fran Falk a lot of pain - and the state a lot of damage."

The long-term unemployed

How business can tap the wasted potential

By Richard Jackman

THE greatest social evil of our time is long-term unemployment. Yet it could be cured at little or no cost to the government.

For long-term unemployment is itself immensely costly. When a person has been unemployed for more than two years the chance that he will leave unemployment in the next three months is only 10 per cent. So, if nothing is done, he is likely to remain unemployed for another two and a half years. During that period he will collect something like £9,000 in benefits. He will also pay no direct taxes.

So the gain to the Exchequer if he were re-employed now rather than running his natural course of unemployment is some £17,000. It follows that the government should be willing to pay generously in order to get him re-employed. It would be an excellent investment from the government's point of view, from the taxpayer's point of view and from the point of view of the unemployed person himself.

Of course, not every such investment would succeed - some of those who become re-employed may become unemployed again quite quickly. But there is good evidence that the net cost to the taxpayer is quite small if a government seeks to abolish long-term unemployment. Sweden has virtually no one who has been unemployed for more than two years. It spends 2 per cent of its national income on employment and training measures for the unemployed, compared with 1/2 per cent in Britain. But, when you add in benefit payments, the Swedes spend less than the British.

They have eliminated very long-term unemployment by offering a job guarantee to everyone who has been out of work for over a year. Given the competence of the long-term unemployed, it is absolutely natural for an employer to be sceptical about someone who has been out of work for more than two years: there is a risk in hiring such a person and in any case some element of training is probably needed. So employers will need some financial inducement.

who join the Community Programme are two or three times as likely to find regular work after the programme than similar people who did not join the programme. So the scheme has long-run effects on employment. In addition, a huge capacity to provide useful jobs has been developed in the "unemployment industry", and many social needs have been served in that way. Old people have been helped, buildings refurbished and made secure, and so on. As most of the 250,000 places in Community Programme are dismantled over the next year, the gaps in services will become apparent, and a host of dedicated workers for the unemployed will become dispersed. It is time to act now to prevent this tragedy.

But the Community Programme does need redirecting. Up to now it has mainly served

It is absolutely natural for an employer to be sceptical about someone who has been out of work for more than two years

the under 25s because the pay was too low to attract adults. The new scheme would have to ensure that any individual could receive a significant margin above benefits. But everyone should be paid the hourly rate for the job, with hours adjusted to provide the required total income.

Second, the Compact. Above all we want to get the unemployed into real jobs. Thus we must persuade private business to recognise the genuine competences of the long-term unemployed. It is absolutely natural for an employer to be sceptical about someone who has been out of work for more than two years: there is a risk in hiring such a person and in any case some element of training is probably needed. So employers will need some financial inducement.

The time has come for a Compact whereby employers undertake to employ certain numbers of long-term unemployed people in return for a suitable financial package. This would be the counterpart of the compacts already being made in respect of young people. But it recognises that, though youth unemployment is easing rapidly as the number of young people falls, long-term unemployment is stubbornly resistant and cannot be cured without a new willingness of employers to look at such people.

An overall programme of some 250,000 places would be needed at a gross cost of say £1 bn. Unfortunately this "counts" as the public expenditure of the Department of Employment. But only the narrowest kind of book-keeping would fail to set against it the likely savings in benefit expenditure by the DHSS - which could be of almost equal magnitude, since the effects of the scheme had built up.

What possible objections are there to the idea? It is always quite proper to ask, "Will the scheme not be inflationary?" The answer is No. For a pool of long-term unemployed does nothing to restrain inflation. This is found repeatedly in econometric wage equations, and commonsense suggests that people who are so unlikely to find work can be doing little to alleviate the inflationary build-up of job vacancies. Thus reducing long-term unemployment does not tighten the labour market or lead to any danger of overheating.

Indeed, quite the contrary, it will be difficult to ensure continued high growth without inflation unless we can secure a growth in the effective supply of labour. The population of working age, which grew quite rapidly until last year, will now be growing less fast. We desperately need to find new supplies of workers, whose additional output will generate the wealth on which our future as consumers depends. A key source of additional labour is the untapped and wasted potential of the long-term unemployed.

The author is Reader in Economics at the London School of Economics and Political Science

LETTERS

Residence rules

From the Chairman, Inland Revenue. Sir, in his comments (July 29) on the consultative document about possible changes to the present residence rules and the scope of UK taxation for individuals, Richard Waters makes a surprising comparison. He suggests that the proposal to determine the UK tax liability of certain residents on a percentage of worldwide income and gains would introduce into our tax law "a variant of the unitary tax system used by some US states to tax foreign corporations". That is not correct. As Mr Waters recognises, ministers have consistently opposed the unitary method of taxation: this is a means of determining the liability on income arising in a particular country by reference to a formula involving, inter alia, world income.

Uncertainty diminished

From Mr D.S. Tullon. Sir, "Uncertainties of tax avoidance" (July 25) is an excellent and cool summary. The law on the subject is indeed far from resolved; a fact foreshadowed by Lord Scarman's indication, in *Furniss v Dawson*, that that case was but the beginning of a long series to define acceptable and non-acceptable tax avoidance. One can only hope that we were wrong, and that we have not far to travel. At the same time we must hope that the pendulum will not swing back as far as Lord Templeman clearly hoped. His interventions in a series of tax-avoidance cases have marked the high tide of Inland Revenue dominance of judicial thinking. That tide has ebbed, but it is unlikely that the tax bar is "cavorting" as Justian, your legal correspondent, seems to think. In particular, Justinian overlooks the fact that the executive (Inland Revenue) always has the initiative where there is uncertainty as to the law. If the law is not explicit, it has the power to try to make the taxpayer prove the negative: that he does not come within the law. The taxpayer has to spend his or her own money to prove the point; the civil servant is spending someone else's. That is why it is worth the burden of proof to shift back to the Inland Revenue.

EC imposes a selective tariff

From Mr Ian Livingston. Sir, Kenneth Gooding's otherwise excellent article (July 29) makes a statement about the growing need for imports of primary aluminium which come from low cost areas such as Venezuela, Canada, Bahrain and Dubai. I think you will find, in fact, that imports of primary aluminium into Europe from Bahrain and Dubai are negligible. This is principally because of the 6 per cent tariff imposed by the European Community (EC) on imports of primary aluminium from certain countries (including the Gulf States) but not from others. The EC is the only major economic system in the world which imposes a discriminatory duty on primary aluminium.

Dumping is a real danger

From Mr J.R. Wilson, Mr Ian MacArthur and Mr J.P. Harrison. Sir, The views on dumping expressed by Jan Trimmer of Phillips (July 25) give an incomplete picture of what dumping really is and how industry can attack it. It is true that dumping is constituted by exporting goods below the price at which the exporter sells on his home market. However, in order to take remedial action, there has to be material injury (or threat of it) to the industry in the importing country. While it may appear obvious that the price of the imported product must be causing damage to the industry in question, this can be very difficult to prove. It is less of a problem in industries where there are a few large companies involved in the manufacture of fairly standard, easily definable products, and where, therefore, damage to one or more companies would be clearly visible. In the case of textiles and clothing, where there are thousands of companies of varying sizes, producing wide ranges of products (many of which will be short-lived because of particular fashions or styles) it is almost impossible to prove damage. It may even be impossible to gather sufficient evidence of the domestic price of the goods in question, because often they will not be sold domestically in the country of manufacture. This difficulty is compounded by currency exchange rates, particularly with the state trading countries. That is why we have advocated that, under the current round of GATT multilateral trade negotiations, the present anti-dumping code should be amended in two ways. First, there should be a shift in the burden of proof so that the importing country would only have to show a prima facie case of dumping, which the exporting country would then have to rebut. Once a prima facie case had been established, a provisional duty would be applied. Second, HM Customs and Excise should be empowered to alert interested parties to the arrival of suspect goods. Industries could indicate to their customs authorities what prices would be suspect. This system would have the added advantage of helping to identify "secondary dumping" - the manufacture of products using dumped components - which is not presently dealt with. We strongly believe it should be.

THE FT MAY BE A SHADE PINKER TODAY

While we wouldn't deliberately want to embarrass the Financial Times, a recent advertisement by Pearson, their owners, deserves a little more than "no comment". There the sales margin is less than 2 to 1 in favour of the FT. And falling. In the past year, Journal/Europe circulation has grown 12%, whilst the FT's

Table with 2 columns: Region and Circulation Sales Ratio. Rows include Europe (Ex. UK), UK, US, Asia, and Worldwide.

Frankfurt edition sales have declined\* Having set the record straight we would like to emphasize, however, that we are not out to compete on numbers. Our interests lie mainly in quality rather than quantity. We aim to provide the highest quality business paper for the highest quality readership. Our subscriber studies show how we are succeeding. Our average subscriber's household income is \$229,000 per annum. 71% are top management. Need we go on? (The FT has no comparable figures for its own buyers.) Thanks to our rapid acceptance in Europe, one could say we're pretty much in the pink ourselves.

THE WALL STREET JOURNAL EUROPE



The closer you look at West End Offices the more you see...

01-499 8626 St Quintin

FINANCIAL TIMES

Wednesday August 3 1988

Chesterton

01-499 0404

54 Brook Street London W1A 2JU

S.African exports rise sharply

By David Owen in Toronto

A GROUP of six countries, headed by Japan, have sharply increased their annual imports from South Africa in recent years...

Inaugural meeting in Lusaka in February. The committee, meeting this time in Toronto, was set up by Commonwealth heads of government...

Spain and Turkey registered increases of \$100-\$300m. The rate of growth has been fastest in Taiwan and Turkey...

A separate inter-ministerial report on South Africa's relationship with the international financial system confirms that long-term credits to South Africa have virtually ceased...

The figures are contained in a confidential interim report on the impact of South African sanctions...

According to the report, Japan's imports from South Africa were last year up by \$748m or 44 per cent from their 1983-85 level...

By far the largest reduction was made by the US, which has cut South African imports by \$600m over this period...

Based on the reports' findings, the committee is expected to discuss the adoption of fresh measures to increase pressure on all countries to reduce trade links with South Africa...

Gatt report shows world merchandise trade up by 5% in 1987

By William DuBois in Geneva

WORLD merchandise trade grew by 5 per cent in volume in 1987, well above the rate of expansion of the two preceding years...

In value, international trade in goods climbed by 18.5 per cent to \$2,475bn in 1987 with West Germany outpacing the US as the largest exporter...

By getting in first, the Government has brought off a small coup for London as a financial centre. Because the bills will be sold through the existing treasury bill mechanism...

As far as the ever-ascendant Ecu market goes, the Bank's announcement is an unexpected gift. While the issue of a brand new instrument worth up to Ecu 2bn will in itself deepen the short term market...

By getting in first, the Government has brought off a small coup for London as a financial centre. Because the bills will be sold through the existing treasury bill mechanism...

As far as the ever-ascendant Ecu market goes, the Bank's announcement is an unexpected gift. While the issue of a brand new instrument worth up to Ecu 2bn will in itself deepen the short term market...

THE LEX COLUMN

Coming to terms with the Ecu

The nine out of ten Britons who think the Ecu is a game, a computer or a cinema award will be impressed by the Bank of England's decision to issue Ecu treasury bills...

At present, the market has persuaded itself into optimism about the US trade deficit, and the continued strength of the domestic economy...

For its part, Liberty has paid what amounts to petty cash for access to the expertise of Britain's largest investment trust management group...



DM/\$ Dollar

Taking the rocky capitalist road

John Lloyd meets the enterprising founder of a Moscow co-op

IN HIS novel Children of the Arbat, published in the Soviet Union a year ago, Anatoly Rybakov paints a picture of a bohemian, working-class district of central Moscow during the Stalin era...



Gorbachev: "without him there would be no co-operative movement... co-ops don't always enjoy a good press"

need more capital and it is hard to come by. He wants to expand, not necessarily to make more clothes, but to become a supplier of services to the foreign business community...

"We are ignorant of what people want. I need information: we are willing to do anything. I asked him if he thought he and his fellow co-operators were taking the capitalist road?"

He paused, searched for words, looked embarrassed and said he was, finally. He said: "I don't believe the two social systems are so far apart any more. I believe they will merge and more come together."

Charming, handsome and self-assured, his language is tendentiously idealistic but at the same time he wants to break into that most lucrative of sectors, the hard currency market.

Judged by conventional Western criteria, he was planning to spread himself thin, with little knowledge. Yet most entrepreneurs here have more than one function: heavy engineering plants make consumer goods for local production, build and maintain flats for their workers, and are encouraged to do so.

And if he has little business-as distinct from administrative - experience, other would-be entrepreneurs are in the same boat. He is the executive of the Moscow co-operators' association, which plans to hold a conference soon, perhaps this week or next.

They have problems, to be sure: he says only about 15 per cent of them make a profit. But longer I believe they will merge and more come together."

Today, the Arbat is a chic area of galleries and flats for the "in" crowd, and it has new children. One of them is Mr Vladimir Alexeyevich Sorokin. He was born in 1955, a year before Nikita Khrushchev denounced Stalin in a closed session of the Communist Party central committee.

His parents were doctors: he trained as a mathematician, but was drawn towards the arts, working for a year or two with a touring puppet theatre before taking up sculpture and speeding eight years carving monuments to commemorate the "Great Patriotic War" against the Nazis.

But, in his early thirties, he wanted more. Mr Mikhail Gorbachev, impatient to free up a clogged economy, was exhorting people to leave the state sector and set up on their own - co-operatives. So on October 1 last year, Vladimir Alexeyevich founded a clothing co-op.

This new child of the Arbat floats on a sea which, if not as dangerous as that of his fictional forefathers, is still rough, puzzling and uncharted. He is, in effect, an entrepreneur.

It should in theory be plain sailing. A state law on co-operatives came into force in July, designed, the preamble says, to "reveal the immense potential of the co-operative system and... create the conditions for involving extensive sections of the population in co-operatives."

Mr Gorbachev rarely loses an opportunity to laud them: much of his speech to the central committee plenum last Friday was devoted to the importance of leasing land, buildings and equipment to the fledgling co-operative movement.

Draft legislation which would have imposed punitive taxes on co-ops (up to 90 per cent) has been suspended after objections from economists and others. Explicitly and implicitly, co-op members are

being told to enrich the economy by enriching themselves. According to the Moscow City Soviet, 300 co-operatives in the capital last year turned out goods and services worth \$12.8m (\$20.7m). By the first six months of this year, the number of co-ops had grown to 1,500, turning over \$66m in the first half year alone and there are now over 40,000 co-ops in the nation-wide.

So what's the problem? Vladimir Alexeyevich grimaces: there are many. He can get willing workers, but often their work is not very good. Worse, he cannot get people to manage: nobody has been trained to do that.

And, like all Soviet citizens who try something new, he has a deep fear that the official line might change. He thinks Mr Gorbachev is wonderful, "without him there would be no co-operative movement: all hopes for improvement in this country are connected with him", but co-ops do not always enjoy a good press.

On the front page of Friday's Socialist Industry, Ms Tatyana Subbotina, a Moscow economist, attacked the co-ops, and the law governing them, for "taking the capitalist road." Any reform which deprived workers of ownership of their country's riches - even if the result of such a reform is an increase in production or improved quality of production - should be opposed, she wrote.

At the core of her criticism is the fact that co-ops are entitled to employ contract labour.

This means exploitation, in Ms Subbotina's view. She argued, echoing Lenin, that the objective interest of these two groups was antagonistic - the smaller the salary of the contract employers, the greater the profits of the co-operative which are distributed exclusively among the co-operative workers.

Apart from political opposition from people like Ms Subbotina, the co-operatives face subtler forms of resistance from Soviet society. Many people disapprove savagely of what they see as the co-ops' get-rich-quick tactics.

The objection is often to practices taken for granted in the West, such as putting a higher price on scarce goods. This is hardly unknown in the black market, but to have it practised openly, with official approval, cuts against a popular grain.

Yet Mr Sorokin will carry on. He says he is driven by a desire to promote "peace through commerce."

"Where there is trade there cannot be war," he asserts, launching into a treatise on that subject.

He has 15 members in his co-op: they hire between 15 and 18 more contract workers. Most of them work at home, sewing to patterns he provides. All, contracted and co-op members, earn according to the quality of output.

It makes a profit. He has paid back all but the best part of his state loan: he could pay it all back now, but he is reserving it because he may

top receivers exclusively for the first three years. The announcements mean that the multi-million campaign to sell new channels of satellite television to the British viewer is now under way.

In June Mr Murdoch, chief executive of News International, announced that he would launch four channels of advertising-financed television to be broadcast by the Luxembourg satellite Astra direct to the home using the existing PAL standard in February.

At the same time Mr Alan Sugar, chairman of Amstrad, said he would produce basic 60cm reception equipment for the Murdoch service Sky Television to retail at £199 and £299 with remote control.

WORLD WEATHER

Table with columns for location, temperature, and weather conditions for various global cities.

UK direct broadcasting group unveils new satellite aerial

By Raymond Snoddy in London

THE SATELLITE television battle between British Satellite Broadcasting and Mr Rupert Murdoch's Sky Television intensified yesterday as BSB unveiled a revolutionary flat 25cm aerial to receive its three new channels from space.

BSB said the aerial was one quarter the size of dish aerials needed to receive the four channels planned for launch in February by Mr Murdoch. At the same time it demonstrated that its D-MAC system could produce sharper, clearer pictures on existing television sets and said the retail price of its reception equipment would be about £250.

Major manufacturers of the new receiver would be Ferguson, the UK subsidiary of Thomson, the French electronics company, Salora of Finland, the third biggest television set manufacturer in Europe and the UK subsidiary of the Taitung Corporation of Taiwan.

Hitch in Gulf peace talks

Continued from Page 1

Such an action would put the Council on a collision course with Iraq, which will then have to decide whether to fight on against the will of the international community and of some of its strongest supporters. Mr Perez de Cuellar hinted this could lead to Security Council action to force Iraq to stop the war.

Bundesbank raises repo rate

Continued from Page 1

The OECD has recently forecast a slowdown in growth to 1.75 per cent in 1988. Mr Bangemann's claim that the arguments of the "economic pessimists" have been undermined seems to have been directed as much to next year's forecasts as to this year's. The Government has not yet made an official forecast for 1989.

The increase of nearly 2 per cent in the seasonally adjusted industrial production figure for June is welcome ammunition for the Government. It confirms that strong growth in the first three months of the year has continued into the second.

The repo rate, which has become a carefully-watched indicator of the Bundesbank's intentions, has now moved up in stages from 3.25 per cent in late June.

The rises are in line with increases in other German interest rates and mark the central bank's attempt to keep its money-market rates between the discount rate, which now stands at 3 per cent, and the Lombard rate.

However, German daily money-market rates are now at almost 5 per cent. Combined with the bank's continuing strength, that suggests further increases may come.

Most German economists expect domestic interest rates to rise further. Mr Ernst-Martin Lipp, chief economist of Dresdner Bank, said: "If US rates go up further, the Bundesbank will either have to accept a further depreciation of the D-Mark or stabilise the exchange rate by letting interest rates rise further."

German exporters have regularly complained about the strength of the D-Mark, which they say has bitten into their business. US indicators show economy still expanding, Page 5; Lex, Page 16

CITICORP CONSOLIDATED BALANCE SHEET (In Millions of Dollars except per share amounts) showing assets, liabilities, and stockholders' equity.







INTERNATIONAL COMPANIES AND FINANCE

# Texaco seeks buyers for big Canadian offshoot

By James Buchan in New York

TEXACO, the US oil company which is reorganising its operations after years of corporate upheaval, is planning to sell its majority stake in its big Canadian subsidiary in a deal Wall Street believes could net more than \$2.5bn.

The US group, which has just fought off a bid for control by Mr Carl Icahn, the takeover specialist, said yesterday that it would seek offers for its 73 per cent interest in Texaco Canada.

But Texaco will try to keep its subsidiary's interests in various overseas exploration joint ventures, notably a highly promising find in Brazil.

Texaco Canada said it was forming an independent committee of the board of directors to consider the move.

Yesterday's announcement by the US group is the latest in

a string of asset sales, joint ventures and financial rejigs which Texaco has put forward in efforts to recapture Wall Street's favour after years of weak financial performance, litigation and bankruptcy.

The suburban New York company won investors' support against Mr Icahn at a bitter proxy fight in June, but at the price of a scheme to sell off more than \$5bn in marginal assets and pay out a third of the proceeds to stockholders.

Texaco has already sold its West German business, Deutsche Texaco, for \$1.2bn and raised over \$800m from selling half of its big marketing network in the eastern US to Saudi Arabia.

Mr James Kinnear, chief executive, said yesterday: "The possible sale of Texaco's interest in Texaco Canada - potentially the third major sale of operating assets in the company's restructuring - would represent another major advance in that programme."

Mr Philip Dodge, an analyst at Nomura Securities in New York, believes that Texaco Canada, which has a publicly quoted minority shareholding, is worth as much as C\$3.9bn (US\$3.25bn) in its entirety. The company, which has some 380m barrels of proven oil and natural gas liquids and 1.98bn cu ft of gas, operates refineries in Ontario and Nova Scotia and sells petrol and petroleum products throughout Canada.

Rusky Oil and Canadian Occidental have already expressed interest in the company, while Mr Icahn held talks with Gulf Canada in an attempt to pre-sell the business as part of his takeover bid.

# US group sells Callard & Bowser

By Anatole Kaletsky in New York

TLC GROUP, the private investment partnership which last year acquired most of the international businesses of Beatrice Foods in a \$965m leveraged buyout, is to sell Callard & Bowser, the UK-based confectionery manufacturer to United Biscuits, also of the UK, for \$44m.

UB will pay £21.5m, or about \$37m, in cash and assume debts of around \$7m.

The deal cuts TLC's net acquisition costs to \$340m. TLC, run by Mr Reginald Lewis, one of America's best known black businessmen, will thus have repaid two-thirds of the cost of buying Beatrice International in just over a year.

Over the past year, TLC has raised \$137m through the sale of Beatrice International's Latin American businesses, \$535m by selling 60 per cent of Beatrice Canada and \$92m by disposing of its half-share in a meat processing venture in Spain.

Mr Lewis, TLC's chairman, said he was now working on the "repositioning" of two other businesses which did "not fit the profile of the remaining Beatrice units." These are Beatrice Poultry, based in the UK, and the Beatrice Bottling Group, based in the Netherlands and Belgium.

After all these divestitures, Mr Lewis and his partners will still own a business with annual revenues of over \$1.5bn. Its main operations will be in France, where Beatrice International owns convenience stores and hypermarkets with annual sales of over \$1bn. The European group also has a \$200m ice cream business and Tayto, the largest snack company in Ireland.

TLC intends to hold on to a 50 per cent interest in a food business in China, a company based in Hong Kong and its 20 per cent interest in Beatrice Canada.

Clay Harris adds from London: Callard & Bowser, which registered sales of \$23.5m in 1987, will become part of UB's confectionery division, which includes Terry's of York. UB said it would retain the UK factories at Halifax, Yorkshire, and Bridgend, Wales.

# US ready to refinance arms loans

Israel is likely to be the first of a number of nations to refinance military loans extended by the US Government in the early 1980s. Wall Street brokers estimate that perhaps as much as \$1.4bn in loans awarded to more than 20 countries to buy US arms could be refinanced in New York.

Many of these countries have been paying 13 or 14 per cent interest on their borrowings, but now they have the opportunity to secure dramatic savings after a Congressional vote in December which gave the go-ahead to refinance at lower interest rates.

The programme, passed into law by Congress, provides for nations paying at least 10 per cent interest on their loans to refinance. The US Government will guarantee 90 per cent of the principal and interest on the new loans, leaving 10 per cent of the risk to the borrower nation.

Bnt, after criticism within the financial industry, the Treasury reversed an earlier ruling and allowed the 10 per cent to be collateralised with US Treasury securities.

The Treasury initially opposed the refinancing programme at much lower interest rates but its revenue considerations were waived in favour of the strategic priorities of the State Department and the Defence Department.

The only three nations which have so far appointed financial advisors and management teams are believed to be Israel, with \$5.5bn in loans to refinance, and Tunisia, which has just under \$200m in loans outstanding.

Israel has appointed KKR's Peabody as its financial advisor and has also set up a large lead management team with Shearson Lehman Hutton and Salomon Brothers as the original co-leads and Bear, Stearns, First Boston and Merrill Lynch added as co-leads recently.

Tunisia has appointed Citibank as lead manager and Bankers Trust and Merrill Lynch as co-leads.

Turkey is believed to have set up a management team comprising Bankers Trust, Lazard, Salomon Brothers and Shearson Lehman Hutton to

organise the refinancing of a potential \$1.2bn in loans and \$400m in arrears.

Other nations are known to have been taking soundings and Pakistan recently listened to presentations by brokerages and commercial banks in Islamabad. Pakistan could potentially refinance \$400m.

According to Wall Street sources, Israel plans to offer a \$2bn bond issue in September. This would be the second-largest single debt sale in the US. The largest was a \$4bn asset-backed deal for the General Motors Acceptance Corporation in October, 1985.

This decision could mean that various credit rating agencies, considering the refinancing programme and the kind of securities which could be issued, will give those securities triple A ratings.

It appears that the thinking

on how each individual country will choose to refinance their loans is at a fairly early stage. It seems likely that the nations will tend to collateralise the 10 per cent portion of the loans. This path provides investors with the most risk-averse package and therefore borrowing countries with the most cost-efficient method of refinancing debt.

Mr Michael Clair, vice-president in the government finance department at Citibank, said he believed Tunisia would choose to collateralise the 10 per cent portion.

He explained that countries have three options. First, they could decide not to refinance at all. Second, they could simply go to a bank and take out a loan at a lower rate. Thirdly, a method which he regards as most cost-effective, a nation could issue underwritten securities to US institutions. These securities would be priced at a spread above US Treasuries, probably at maturities similar to those of the original loans.

Borrowers with a smaller amount of debt outstanding may prefer to issue securities through a private placement.

Bankers and brokers say that the attraction of winning a slice of this refinancing business is the sheer size of the programme being put together and the high-grade nature of the paper. Despite the size of the potential refinancings, there seemed little

# NY Life plans \$830m sale

By Janet Bush in New York

NEW YORK Life Insurance, which invests around \$40bn for itself and pension fund customers, is to sell its entire \$830m portfolio of stocks for its own account.

However, the company remains invested in equities in its managed accounts and in pension accounts managed for its own employees whose exposure to the stock market has, in fact, increased.

An official for the insurer said that the decision to rid

itself of its equity exposure on its own account did not reflect a generally negative view of the stock market.

It was, he added, a strategic move designed to match the income requirements of its general insurance business, which the company believes would be better served by an investment in fixed income.

The official said he believed that the funds would be reinvested predominantly in US government bonds.

Last November, Boeing and Rockwell decided severely to cut the equity component of their pension funds. In the case of Rockwell, the company apparently ordered its fund managers on November 12 to reduce the stocks component of their portfolios within two weeks, a step regarded as radical by other fund managers.

The New York Life official said he did not regard the decision to pull out of equities on its own account dramatic.

# Sun Micro doubles profit

By Our Financial Staff

SUN Microsystems, the fast-growing manufacturer of computer workstations, more than doubled revenues and earnings in the fourth quarter, boosted by an aggressive shipment programme to reduce backlog and a strong workstation market.

Earnings totalled \$35.2m or 66 cents a share on revenues of \$365.1m, against \$10.9m or 31 cents on sales of \$185.5m a year earlier and well above Wall Street expectations.

For fiscal 1988, earnings increased by 83 per cent to \$66.4m or \$1.79 a share, from \$36.3m or \$1.11 for the previous

# Alliant Computer launch

By Paul Abrahams

ALLIANT COMPUTER Systems, the Massachusetts-based computer manufacturer, yesterday announced a new series of mini-supercomputers. The move follows Alliant's merger in June this year with Raster Technologies, which specialises in high performance three dimensional graphics.

The computers, called the Visualisation Series, are the latest of several high-powered graphic machines to be launched on a busy market. Other manufacturers of such systems include Stellar Computer and Argent.

Last year, Alliant was the market leader in the US with 42 per cent of the mini-super computer market. Its net sales were \$53.8m compared with \$30.7m in 1986.

Mini-supercomputers offer relatively powerful computing at a fraction of the cost of full-scale supercomputers, such as Crays, which can cost between \$2.5m to \$20m even before installation. Alliant's Visualisation Series starts at \$54,900 (\$68,340).

Alliant says the market for mini-supercomputers could reach more than \$2bn a year, but as yet demand is small.

# Sharp rise in Boeing earnings

By Our New York Staff

BOEING, the world's leading aircraft manufacturer and the biggest exporter from the US, reported a big advance in profits and revenues during the second quarter as worldwide demand for its commercial aircraft continued to strengthen.

Net profits totalled \$160m or \$1.05 a share, 37 per cent higher than the \$117m or 75 cents reported in the second quarter of 1987. Sales increased by 35 per cent to \$4.71bn.

In terms of both its sales and earnings, the company's growth accelerated in the second


quarter compared to the first. For the first six months of 1988 as a whole, earnings grew by 26 per cent to \$296m or \$1.94 a share, while sales increased by 15 per cent to \$8.32bn.

For 1988 as a whole Boeing said it expects sales to total \$17bn.

The strength of civilian orders more than made up for a \$200m decline in military sales to the US and foreign governments during the first six months of the year. Military sales in the first half came

This announcement appears as a matter of record only.

New Issue 2nd August, 1988



## The Hokuriku Bank, Ltd.

**U.S. \$100,000,000**


**3 3/4 per cent. Convertible Bonds due 2003**

Issue Price 100 per cent.

Hokuriku Finance (H.K.) Limited	Yamaichi International (Europe) Limited
Banque Paribas Capital Markets Limited	Daiwa Europe Limited
Manufacturers Hanover Limited	Morgan Stanley International
The Nikko Securities Co., (Europe) Ltd.	Nomura International Limited
J. Henry Schroder Wagg & Co. Limited	
DKB International Limited	Fuji International Finance Limited
Goldman Sachs International Corp.	IBJ International Limited
Kleinwort Benson Limited	Nippon Credit International Limited
S.G. Warburg Securities	
ANZ Merchant Bank Limited	Bank of America International Limited
Bank of Tokyo Capital Markets Group	Banque Indosuez
Barclays de Zoete Wedd Limited	James Capel & Co.
Cazenove & Co.	Chase Investment Bank
Citicorp Investment Bank Limited	Commerzbank Aktiengesellschaft
Cosmo Securities (Europe) Limited	County NatWest Limited
Deutsche Bank Capital Markets Limited	Dresdner Bank Aktiengesellschaft
LTCB International Limited	J.P. Morgan Securities Asia Ltd.
New Japan Securities Europe Limited	Nippon Kangyo Kakumaru (Europe) Limited
Sanwa International Limited	SBCI Swiss Bank Corporation Investment banking
Standard Chartered Asia Limited	Union Bank of Switzerland (Securities) Limited
Wako International (Europe) Limited	

All these securities having been sold, this announcement appears as a matter of record only.

New Issue August, 1988



## SEKISUI PLASTICS CO., LTD.

**U.S. \$50,000,000**

**4 1/4 per cent. Guaranteed Notes 1993**

with

**Warrants**

to subscribe for shares of common stock of Sekisui Plastics Co., Ltd.

The Notes will be unconditionally and irrevocably guaranteed by

### The Sanwa Bank, Limited

Issue Price 100 per cent.

The Nikko Securities Co., (Europe) Ltd.	Sanwa International Limited	Nomura International Limited
Yamaichi International (Europe) Limited	Daiwa Europe Limited	BNP Capital Markets Limited
Daiwa Europe Limited	Baring Brothers & Co., Limited	Dresdner Bank Aktiengesellschaft
Daiwa Bank (Capital Management) Limited	Goldman Sachs International Corp.	IBJ International Limited
Merrill Lynch International & Co.	Toyo Trust International Limited	Morgan Stanley International
Norinchukin International Limited	Wako International (Europe) Limited	New Japan Securities Europe Limited
		Towa International Limited



INTERNATIONAL COMPANIES AND FINANCE

Finland picks Valmet for first partial privatisation

By Olli Virtanen in Helsinki

VALMET, THE Finnish metal and engineering group, will become the country's first state-owned company to be partly privatised through an issue consisting of 6.5m shares at FM120 apiece to domestic investors.

The proceeds of FM780m (\$780m), including a premium of FM350m, will make the issue the second biggest by a Finnish industrial company. The issue will reduce the state's holding from 100 per cent to 79.7 per cent.

Valmet will seek a listing on the Helsinki Stock Exchange (HEX) as soon as the issue is fully paid, possibly in October.

The subscription period runs from August 15 to September 9. The 6.5m shares to be issued will include 650,000 shares reserved for Valmet's domestic workforce at the same price.

The shares issued are equal to the existing shares and they will not be available to foreigners. But according to Mr Matti

Kankaanpää, president of Valmet, the company retains an option to make another launch, possibly in freeshares, within a year.

Valmet had an authorisation to carry out public share issues up to a nominal value of FM190m. The current issue will raise the company's share capital by FM130m.

Mr Kankaanpää emphasises that the issue will not amount to privatisation. It is aimed to improve the company's capital structure, reduce financing costs, establish market value and create a favourable image for Valmet.

Furthermore, it will provide Valmet with money for acquisitions. Apart from acquisitions, Valmet plans to use the proceeds for investments and for research and development.

The Valmet group consists of Valmet Paper Machinery (44 per cent of net sales in 1987), automation (18 per cent),

domestic tractor production (17 per cent), Valmet do Brazil tractor operation (8 per cent), transportation equipment (11 per cent) and aircrafts (2 per cent).

Group sales in 1987 totalled FM7.8bn and net income amounted to FM329m. Earnings per share, including extraordinary items, reached FM61.25. Sales during the first four months of this year rose by 79.9 per cent to FM2.54bn and profits, says Mr Kankaanpää, are "increasing".

Other potential candidates for tapping the capital markets include Kemira, the fertiliser and paints group; Neste, the oil and chemical group; Outokumpu, the metallurgy group; and Veitsiluoto, the forest products company. The state-controlled Enso-Gutzeit has been listed on the HEX since early this century, when the Government bought a majority of it from private owners.

Henderson Land plans asset swaps with unit

By Michael Murray in Hong Kong

HENDERSON LAND, the Hong Kong property group, and its subsidiary, Wing Tai Development, yesterday announced details of a group restructuring which will see substantial asset swaps between the two and the raising of HK\$960m (US\$123m) by Wing Tai through a share placement and offer to minority shareholders.

Following implementation of the proposals Henderson, which is controlled by Mr Lee Shan-kee, will concentrate on property development activities, while Wing Tai will become an investment holding and property investment company.

Wing Tai is to acquire from Henderson a 25.9 per cent stake in the Hongkong and China Gas Company, and a 19.7 per cent stake in the Hongkong and Yauwadi Ferry. In return Wing Tai will transfer to Henderson all its Letter B land exchange entitlements - government certificates which give the holder the right to acquire land in the New Territories - in addition to its interests in certain property developments.

To balance the transaction Wing Tai will issue new shares amounting to Henderson.

On completion of the deal Henderson's stake in Wing Tai will fall to 61.8 per cent from 68.8 per cent at present.

Wing Tai will raise HK\$960m through a share placement, as well as an offer to minority shareholders in both Henderson and Wing Tai. Wing Tai will also proceed with a one-for-five share split. It announced that it plans to pay a second interim dividend of 26 cents per share in lieu of any final dividend for the year ended June 30, 1988. Both companies have applied to resume trading on Friday.

Wharf Holdings 24% ahead

By Our Hong Kong Correspondent

WHARF HOLDINGS, the Hong Kong hotel, transport and property group controlled by Sir Yue-Kong Fao, yesterday announced a 24.2 per cent increase in profits attributable to shareholders to HK\$1.27bn (US\$163m) for the year ended March 31.

Turnover fell to HK\$2.39bn from a previous HK\$3.53bn as a result of the disposal during the year of the group's interests in the Whislock Marden trading, service and manufacturing companies, in addition to part of the shareholding in Hong Kong Realty and Trust. But the remaining core divisions within Wharf all performed well, benefiting from last year's buoyant conditions in the Hong Kong economy.

Pre-tax profits were HK\$1.2bn, against \$1.28bn the previous year, while extraordinary items stood at HK\$260m compared to HK\$162m. Earnings per share were 58.8 cents, compared to 50.2 cents.

Wharf recently completed the acquisition of the US-based Omni Hotels group for HK\$1.05bn, in a joint venture with its principal shareholder, World International.

Merged Spanish bank 35% up

By Our Financial Staff

BANCO Bilbao-Vizcaya, the Spanish bank formed by this year's merger between Banco de Vizcaya and Banco de Bilbao lifted first-half pre-tax consolidated profits by 35.2 per cent to Ptas5.16bn (\$446m) from the same period a year earlier.

Joint parent bank profit rose 43.6 per cent to Ptas35.41bn. Group consolidated cash-flow rose 39.9 per cent to Ptas103.26bn, while parent bank cash flow rose 52.2 per cent to Ptas70.08bn. Net interest income was Ptas167.78bn, but the bank gave no comparative figure for the first half of 1987.

Operating profit rose 23 per cent but again the bank gave no comparative. Group depreciation charges and bad debt provisions totalled Ptas43.13bn.

Siemens nine-month sales rise

By Halg Simonian in Frankfurt

SALES AT Siemens, the West German electronics and electrical group, rose by 7 per cent to DM39.7bn (\$21.23bn) in the first nine months of the current business year, which ends on September 30.

After-tax profits increased by 2 per cent to DM999m against the corresponding period last year. The boost came thanks to a substantial opening in the third quarter of the current business year, which has more than made up for lower earnings in the first half of the

year, said the company.

Last month, Mr Karlheinz Kaske, the chief executive, predicted that profits for the year would "not be below, and very likely above" those for 1987-88, when Siemens made DM1.28bn after tax.

Domestic sales rose 8 per cent to DM19.8bn in the nine months, while exports increased by 6 per cent to DM19.9bn. Meanwhile, new order levels increased by 7 per cent to DM40.5bn. The figures confirm the

pick-up in the group's domestic business, which had been lagging overseas sales in the early part of the year. Domestic new orders at the nine-months stage of DM17.4bn were 1 per cent above the level at the same time last year, while new orders from abroad rose by 12 per cent to DM2.1bn.

Despite the upturn, Siemens gave no indication as to the likely course of its dividend, which was cut by DM1 to DM11.1 a share last year following a 13 per cent fall in profits.

South African bank raises first-half profits

By Jim Jones in Johannesburg

STANDARD BANK, the former South African associate of Standard Chartered of the UK, suffered from narrower lending margins in the six months ended June 30, but increased profits with greater lending.

Total advances increased to R21.1bn (\$3.61bn) on June 30 from R18.5bn on December 31, with R1bn of the increase coming from mortgage lending.

The interim operating profit before interest payments rose to R994m from R785m in the corresponding period of 1987. Interest payments increased to R942m from R666m and the interim gross profit was R152m against R120m.

In 1987 as a whole, the operating profit was R1.71bn, interest payments totalled R1.38bn and the year's pre-tax profit was R329m.

Dr Conrad Strauss, managing director, expects profits to grow as quickly in the second half as in the first. Standard has been particularly aggressive in lending to house buyers and held its mortgage interest rates below those of competitors until June 30.

The rates are now in line with those of competitors and the bank hopes to increase its total mortgage lending to R2.7bn by the end of the year from R2.1bn at the end of June. Lending to corporate and private borrowers is expected to slow in the wake of higher interest rates.

The first half's earnings per share increased to 108 cents from 82 cents and the interim dividend has been raised to 27 cents from 22 cents. Last year's full earnings were 225 cents and the year's dividend was 82 cents.

Currency factors depress premiums at Munich Re

By Our Frankfurt Staff

PREMIUMS AT Münchener Rückversicherung (Munich Re), the world's largest reinsurance company, fell by just under 2 per cent in the 1987-88 business year to about DM11.7bn (\$6.25bn).

However the fall was exclusively due to currency factors, according to the group, and profits, which were again "satisfactory", will be sufficient to pay an unchanged dividend.

Last year, the Munich Re raised its dividend by DM1 to DM10 a share on turnover which increased by 1 per cent to DM11.95bn. After-tax profits were DM56.6m.

Domestic premiums rose in the 1987-88 business year, which ended on June 30, with life re-insurance showing the biggest increase. However, for-

ign premiums fell owing to the strength of the DM-Mark.

Full results will not be released until later in the year, but the group said underwriting losses on reinsurance would be about the same as last year's loss of DM406m. By contrast, the group said the general business result, which comprises investment income, would be above the DM1.1bn reported in 1987.

A very substantial allocation to the provision for expected claims fluctuations was again likely, while reserves were also likely to be strengthened, said the group.

Liability and motor reinsurance remained unsatisfactory, it said, while natural catastrophes as well as large claims had also had a noticeable effect on results.

Setback for Bayernhypo

By Our Financial Staff

BAYERISCHE Hypothekendarlehen- und Wechselbank (Bayernhypo), the West German bank, said yesterday that total operating profits fell in the first half of 1988 despite favourable developments in trading on the bank's own account.

The bank did not give a figure, but said group partial operating profits had fallen by 13.4 per cent in the first six months of this year. First-half current partial operating profits fell 14 per cent to DM275.9m (\$201m) from DM437.6m earned in half of 1987.

Bayernhypo also said its writedown requirements had fallen sharply in the first half of 1988.

The bank considered that its

risk position had improved when compared with the end of 1987. Problems associated with risk countries had not diminished overall, but Bayernhypo's level of unsecured loans was showing a downwards trend. Risks linked to domestic business had also diminished.

Mortgage business had picked up sharply in the second quarter of this year after a slow start in 1988. This reflected a trend towards higher interest rates.

Non-mortgage loans rose slightly, to DM23.4bn at the end of June from DM23.1bn at the end of last year. Customer deposits rose to DM29.8bn from DM27.5bn.

Hafslund woos foreign holders

By Karen Fosell in Oslo

HAFSLUND NYCOMED, the diversified Norwegian group with main interests in pharmaceuticals and energy, is seeking to increase the limit on the foreign ownership of its voting shares to 33.3 per cent from 20 per cent.

The move is an attempt to bring fresh capital into the company in preparation for a possible new share rights issue.

Hafslund is the second largest company, behind Norsk Hydro and ahead of Saga

Petroleum, on the Oslo Stock Exchange in terms of market value, which is estimated at Nkr6.5bn (\$666m).

Approval must be given by the Ministry of Finance to increase foreign ownership.

Hafslund says that it is seeking also to expand to 50 per cent the non-voting shares available to foreigners.

Dyno Industrier, the Norwegian diversified industrial group, has acquired the UK formaldehyde products business of Swiss-based Ciba-Geigy

for an undisclosed amount.

The purchase will put Dyno among the world's top three producers of formaldehyde, behind US-based Borden and Georgia Pacific, with an annual production of 400,000 metric tonnes.

The acquisition also gives Dyno a 50 per cent UK market share for formaldehyde products, with an annual production at the Duxford (near Cambridge) site of 100,000 metric tonnes and annual sales of Nkr350m.

Seoul not to ease control of central bank

By Maggie Ford in Seoul

INCREASING demands for financial liberalisation in South Korea have been rebuffed by the Ministry of Finance, which has made it clear that it will not relinquish control of Bank of Korea, the central bank.

The ministry's signal follows a decision by the heads of the top five commercial banks to make public their request for independent directors. At present the top executives of the commercial banks and the governor of Bank of Korea are appointed by the Government.

The ministry is expected to announce today that the Office of Bank Supervision and Examination, a subsidiary of Bank of Korea charged with overseeing the commercial banks, is to be moved and placed under direct government control. It will also supervise non-banking institutions. The central bank will remain under the control of the ministry.

The decision follows a mounting campaign by South Korean businessmen for the Government to deregulate the

financial sector and introduce a Western style money market, and an independent central bank. The campaign, which groups Bok, the securities industry, the biggest business groups, most foreign financial institutions and now the commercial banks, has been backed by the opposition parties in the National Assembly.

Businessmen have argued that the South Korean economy is now too large and too complex to be run by economists whose skills have been well attuned to a developing

country, but who have little experience in the financial world.

The ministry and other government economic planners have resisted the campaign, arguing that it will lead to centralisation of economic control in the big business groups. Government agreement for change is essential in the case of the commercial banks, which are saddled with non-performing assets amounting to as much as 3,000bn won (\$11.08bn) as a result of government-enforced bailouts of bankrupt companies.

This announcement appears as a matter of record only.

JUNE 1988

U.S. \$150,000,000



Short-term Financing Facility

Arranger

Credit Suisse First Boston Limited

Lead Manager

Credit Suisse Canada

Co-Managers

ABN Bank Canada

Banca Nazionale del Lavoro of Canada

The Bank of Tokyo Canada

Banque Nationale de Paris

Banque Paribas du Canada

Crédit Lyonnais Canada

Dai-Ichi Kangyo Bank (Canada)

Deutsche Bank (Canada)

Fuji Bank Canada

National Westminster Bank of Canada

Sanwa Bank Canada

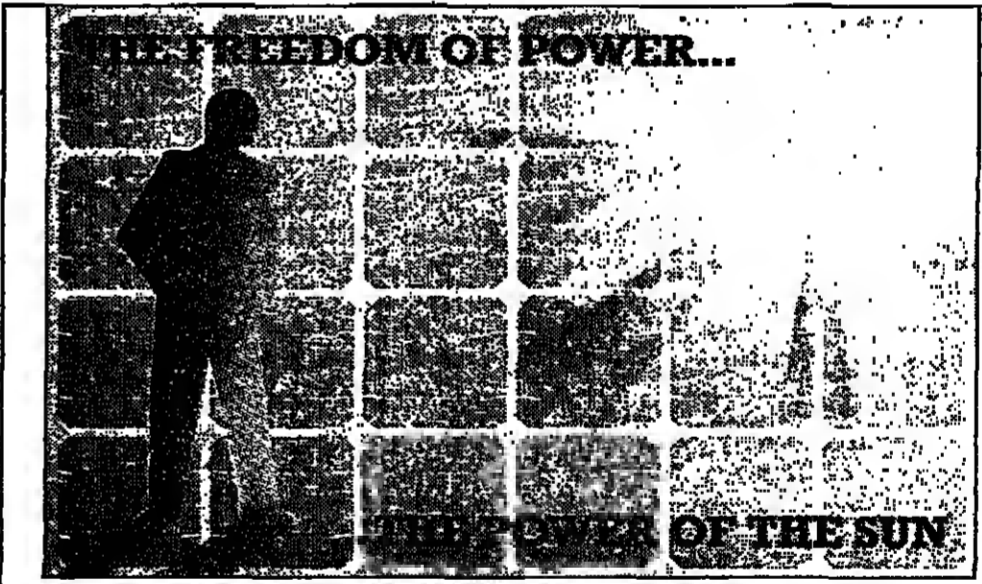
Société Générale (Canada)

Swiss Bank Corporation (Canada)

Union Bank of Switzerland (Canada)

Facility Agent

Credit Suisse First Boston Limited



RJM Solar has transformed solar power into practical solutions for lighting, refrigeration, signalling and security. Versatile products for easy installation and a generation or more of maintenance-free power. Because RJM Solar products are based on indestructible solar panels, sealed in crystal-clear acrylic they resist tropical storms, maritime corrosion and desert sandstorms.

Contact: RJM Solar, Chemin de la Pralay 32, 1294 GENTROD, Geneva, Switzerland. Telephone 022-742424. Telex 427130 TFC.

RJM Solar products are manufactured in Italy

PIMA Savings and Loan Association US\$100,000,000 Collateralised Floating Rate Notes due 1993

THE KINGDOM OF DENMARK US\$100,000,000 Dual Bond due 1991

SPAREKASSEN SDS (a savings bank established under Danish banking law) ¥5,000,000,000 Floating Rate Notes Due 1993



INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Treasury plays a practical card

Simon Holberton examines the Government's refinancing strategy

If there was a word which kept cropping up in official explanations of yesterday's Government decision to redeem a 1985 \$2.5bn floating-rate note loan and refinance part of it through the issue of Treasury bills denominated in European Currency Units it was "practical."

Officials noted that the Government does not need the money but would like a continuing presence in the market. The Ecu was chosen in preference to issuing dollar denominated bills in London or the US to make a contribution to the development of the Ecu and closer European monetary co-operation.

part of their short-term public debt the same way. Two other factors, however, stand out as important reasons for the Government's decision to redeem the 1985 FRN and to issue Ecu debt: the massive rise in official reserves and the desire to diversify the currencies held as reserves.

of official figures showing an underlying rise of \$910m, a rough guide to the level of official intervention in July to stem the rise of the pound. A spin-off from the Ecu bill programme will be the accumulation of European currencies. D-Marks, French francs and Dutch guilders account for about 35 per cent, 18.5 per cent and 11 per cent respectively of the Ecu, so it will lead to a progressive diversification of the UK's international reserves.

FRN call sparks busy trading

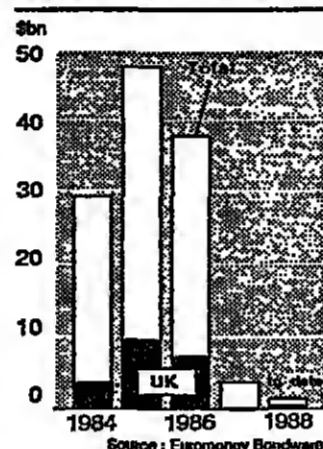
By Our Euromarkets Staff

THE PROPOSAL to call the \$2.5bn UK floating-rate note issued to rock the FRN sector, where a move of this sort had been anticipated for some months. However, the announcement provided FRN traders with their briskest day's business for some time as investors switched into comparable sovereign paper.

little interest from retail accounts detected as yet. Traders agreed it was still too early to fully assess the impact of the issue's redemption on the market. Although the rest of the sector received an initial boost, many fear that investors may not decide to reinvest their funds in US dollar FRNs, which have not commanded centre stage in the Eurobond market since trading practices and liquidity collapsed for a period in the first half of 1987.

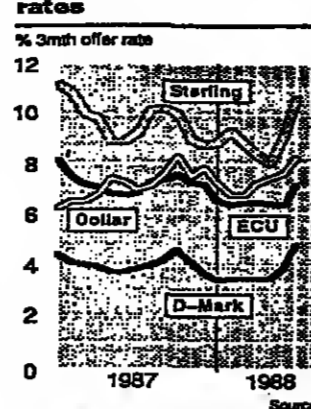
Persistent fears about large-scale dollar investment have meant that sterling FRNs have eclipsed the dollar-denominated sector of the market so far this year.

Issues in \$ FRN market



Source: Euromoney Bondwatch

Eurocurrency interest rates



Bold bid for lead Ecu role

By Stephen Fidler

THE EUROPEAN Currency Unit, created in 1979 at the birth of the European Monetary System, is the most successful artificial currency ever devised.

Its growth has been slowed by several factors, including the lack of a so-called lender of last resort. Unlike national currencies, it is not backed by a central bank. There has been hardly any link between the private Ecu - Ecu-denominated bank deposits, bonds and the unit of account in which the European Community's finances are denominated.

Faulty wire report stuns Australian dollar sector

By Dominique Jackson

ACTIVITY IN the Eurobond market remained thin yesterday and was largely restricted to professional book squaring ahead of today's US Treasury quarterly refinancing announcement, with little trading incentives offered by movements on the foreign exchanges.

state's own issues and they had not affected any ripple effects throughout the rest of the semi-government bond sector. Some said a delayed reaction might be seen in Australian markets today but many added that the report did not contain any particularly new information which would seriously jeopardise perceptions of the state's credit rating.

West German bond prices received a boost from the marginally easier initial tone of the US dollar but volumes remained thin and final gains were limited, with some short-covering ahead of the announcement of the details of the new federal government bond, expected shortly.

W Hunt issue taken up

By Michael Marry in Hong Kong

THE LARGEST share offering by a Hong Kong company since last year's stock market crash has been successfully completed, bringing in about HK\$1.2bn (US\$153.8m) for William Hunt Holdings to help finance its purchase of a hotel chain.

limited short covering but in continued low volumes ahead of the refunding details and of Friday's US July employment report. The 1.4 per cent rise in US leading indicators for June was as expected and had little impact.

Saudi developer plans flotation

By Finn Barre in Riyadh

MAKKAH, THE Saudi Arabian property development and construction group, is to go public, with an issue on the Saudi market planned for later this month.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Table with columns for Bond Name, Issued, Bid, Offer, Change, and Yield. Includes sections for US DOLLAR, EURO CURRENCY, and OTHER STRAIGHTS.

Table with columns for Bond Name, Issued, Bid, Offer, Change, and Yield. Includes sections for FLUATING RATE NOTES, CONVERTIBLE BONDS, and STRAIGHT BONDS.

Advertisement for Dartford River Crossing Limited, £85,000,000 Syndicated Project Finance Facility. Includes logos for Bank of America International Limited, Midland Bank plc, Toronto Dominion Bank, and other partners.



UK COMPANY NEWS

Problem areas hold back rise at Unitech to £14.7m

By Hugo Dixon

UNITECH, the electronic components manufacturer and distributor, yesterday reported a 9 per cent increase in pre-tax profits to £14.7m for the year to May 28. The results were in line with indications given by the management in February that the second half would be flat.

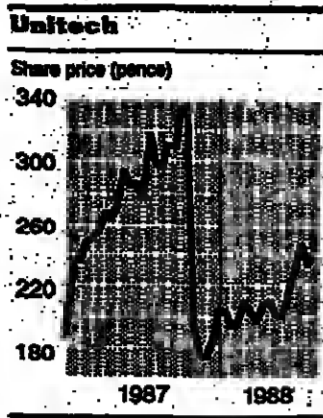
The two problem areas were Rapid Recall, which distributes components in the UK, and Rathdown Industries, which makes payphones.

Rapid Recall's business suffered mainly from a policy change by Digital Equipment, the US computer manufacturer, which is its largest supplier. DEC has decided to sell more of its components directly rather than through distributors.

Mr Peter Curry, Unitech chairman, said there were signs that the slowdown at Rapid Recall was coming to an end.

Unitech's other distribution companies - Walmore Electronics and Ceidix Italiana - increased their profits, but not enough to compensate for the downturn at Rapid Recall. The division saw its profits fall by 6 per cent to £4.5m.

Rathdown Industries was hit by a decline in orders from



British Telecom, its largest customer. The connectors and special products division, which includes Rathdown, saw its profits drop by 47 per cent to £1.7m.

Mr Curry, said, however, following the recent liberalisation of the UK payphone market, the company had attracted two new customers.

The power supplies and control products divisions both increased their profits - from £2.7m to £3.2m and from £1.3m to £3.3m respectively.

The group tax charge increased to 36.5 per cent (33.6 per cent), as a result of higher

overseas earnings. Post-tax profits were £9.6m (£8m) and earnings per share were 19.9p (19.2p). The directors propose a final dividend of 5.9p, for a total of 8.06p (7.96p).

COMMENT

Unitech seems set for another year of slow growth in 1988-89. Although the group points out that the slowdown at Rapid Recall is coming to an end, the end has not yet arrived. And, while the new liberalised market for payphones could become an attractive business in the future, it seems unlikely that Rathdown Industries will be able to do better than mark time this year, given the drop in orders from BT. Profits from power supplies and control products should continue to grow, but not as rapidly as last year, now that the data processing industry seems to be entering a period of slower growth. The extra £50m in cash from Elektrowatt should help the group achieve pre-tax profits of about £20m for the year, giving 21p in earnings per share. But, barring particularly shrewd acquisitions which Unitech has not so far been noted for, prospects are unexciting. At a price of 236p the shares are fully valued.

Yorkshire Bank 14% up at £48m halfway

By David Barchard

YORKSHIRE BANK group yesterday reported an increase of 14% in pre-tax profits for the first six months of 1988. Net interest income rose by 13 per cent to £81.7m (£72.2m) while total assets were £2.75bn (£2.18bn). Pre-tax return on total assets was 1.74 per cent.

Lending to commercial customers grew by £150m during the six months to stand at £763m (£655m) and the bank's mortgage book stood at £1.6bn at the end of June compared with £28m a year ago. During the first half the bank launched its own Visa card and over 150,000 have been issued.

The bank has more than 2.5m accounts for the first time.

Yorkshire Chemicals ahead by 35%

A 35 per cent increase in pre-tax profits from £2.58m to £3.49m is reported by Yorkshire Chemicals for the six months to June 30 1988.

The directors of this Leeds-based maker of dyes, tanning materials and specialty chemicals, have stepped up the interim dividend by 50 per cent to 3p.

Turnover rose to £27.05m (£24.15m) and they said recent organic development acquisitions had considerably broadened the sales opportunities available. The programme of investment to increase capacities and contain costs was being accelerated. The company's objective was to establish a firm basis for sustainable long-term growth.

For the current year they anticipated a further significant improvement in earnings per share provided world trade and exchange rates remained close to present levels.

Earnings for the full year rose from 11.6p to 15.7p basic and to 15.2p (11p) fully diluted. Tax charges totalled 2696,000 (£252,000).

Pacer results hit by US defence cuts

By Clare Pearson

A SUDDEN cut in US defence spending slashed pre-tax profits of USM-quoted Pacer Systems, the US electronics defence contractor, from \$707,000 to \$132,000 (£76,744) in the six months to end-June. Turnover fell to \$15.15m from \$15.95m.

At the end of April, the Defense Department deferred new contracts, and further work on existing ones, after it had discovered its spending was some \$2.5bn ahead of levels agreed with Congress last autumn, Pacer explained.

Unexpected losses of about \$450,000 incurred at Sea Data, the manufacturer of oceanographic measurement and data acquisition equipment which Pacer bought last year, also cut the pre-tax figure.

Nevertheless, Mr Jack Rennie, chairman, said he believed in Pacer's prospects for recovery in the second half. He said the US Defense Department continues to place the highest priority on anti-submarine, amphibious and mine warfare and wargaming, the areas for which Pacer supplies software-based systems and consultancy.

An \$18.5m five-year contract for the US navy for airborne anti-submarine warfare programs had brought Pacer's order book to June 30 to \$62m, double its level at the same point in 1987.

Meanwhile, a recent report by the US navy on Pacer's Ballast software package, which enables a ship's crew to analyse the stability and trim of a

ship, had marked a "breakthrough," Mr Rennie said.

Although no firm orders had as yet emerged, Pacer had received verbal indications that the US navy would outfit ten of its FFG-7 class frigates with the system.

Fully diluted earnings per share came out at 1 cent (7 cents). But the interim dividend is unchanged at 2.5 cents per share.

COMMENT

Considering the Defense Department precipitously put on hold orders that Pacer had budgeted for these results looked credible. But they still showed the extreme vulnerability of the company to the whims of the authorities - notwithstanding that the importance attached by defence authorities world-wide to anti-submarine warfare means it is basically in a growth market. The products division too has been given a boost by the US navy's report on Ballast. Mr Rennie says European defence authorities have been waiting on the US decision; but US orders alone could be four or five times as high next year as the ten frigates being talked about now.

Pre-tax profits next year could be around \$2.25m; but this year they will not be much above \$1m, giving a prospective p/e over 14, which seems quite enough. The directors have a controlling interest, so though Pacer's order book must look attractive, there seems no prospect of a bid.

Waverley Cameron reveals plans for acquisitions as losses fall

By David Walker

WAVERLEY CAMERON, the small loss-making Edinburgh stationery company subject to a bitter bid battle at the beginning of the year, yesterday gave some details of its acquisitions plans as it reported reduced losses for the 15 months to the end of March.

Mr Jimmy Gulliver, the Scottish financier and former chairman of the Argyll supermarket group who took control of Waverley in February after fighting off a rival bid from Flavell Communications, said future acquisitions would be concentrated on four areas:

stationery; manufacture, marketing and distribution of high quality consumer goods; retailing; and a service and corporate communications consultancy in Scotland.

To date, there has been only one acquisition, that of Ronald Martin Groome, with interests including gift stationery. The deal, yet to be completed, takes the form of an agreed share bid valuing RMG at about £28m.

Waverley's pre-tax losses fell from £210,000 to £176,000, on lower turnover of £3.18m (£3.35m). Losses per share were static at 2.67p.

Molynx doubles to £381,000 midway

First half pre-tax profits more than doubled at Molynx Holdings, the television manufacturer for the closed circuit television industry.

Sales in the six months to June 30 rose to £3.2m, against £1.3m, which generated a pre-tax profit of £381,000 (£181,000). Earnings per 20p share were up from 3.4p to 4.8p.

Polly Peck

Polly Peck, agriculture, electronics and textile group, is to buy out minority shareholders in Rainbow Orient Corporation, a Hong Kong company in which it holds 96.6 per cent. Its offer of HK\$5.10 a share could result in a total outlay of HK\$17.95m (£1.94m).

Shandwick steps up world-wide expansion

By Philip Coggan

SHANDWICK, public relations group, has made another round of acquisitions as part of its world-wide expansion plans.

The company is paying an initial total of £4.1m for five public relations groups in Australia, the Netherlands and the US.

Two of the companies, IPR Australia and IPR New Zealand, are part of the IPR network, a loose federation of international public relations groups.

Shandwick acquired the founder and largest company in the group - Tokyo-based International Public Relations, earlier this year.

The other three acquisitions are Dutch-based Voorhoeve, and in the US, H Tech Public Relations and A Brown-Clintwood Associates. The US companies are based in San Francisco and Atlanta respectively.

Readicut buy

Readicut International, the specialist textile manufacturer, has announced the acquisition of Fox Umbrella Frames from Teampace, a private company, for £1.4m in cash. Last October, Readicut acquired another umbrella-maker, William Hoyal, for £7.5m in cash and shares.

McCarthy & Stone in £19.6m placing to fund purchase

By Andrew Hill

MCCARTHY & STONE, retirement home specialist, is to raise about £19.6m, after expenses, by a placing of cumulative redeemable preference shares.

The proceeds will be used partly to fund the proposed acquisition of Merlin Immobilier, French holiday apartment business. On July 2, the group announced it was offering £156.9m (£14.5m) for Merlin.

County NatWest and de Zoete & Bevan are to place 20m cumulative redeemable preference shares with institutional and corporate investors at just below the par value of £1. The shares will be redeemed at par on October 1 2003. Dealings are expected to begin on August 26.

McCarthy said the balance of the proceeds would be used to increase working capital, allowing the group to continue its programme of expansion including the development of a site in southern Spain.

The group has already set up two instruments for large-scale borrowing. It took out a £100m multi-option facility (MOF) in March 1987, later extended to £150m, of which £104m is committed. In May, it put in place a £50m commercial paper programme to supplement the MOF.

The shares fell 4p to close at 42 1/2p.

COMPANY NEWS IN BRIEF

ABACO INVESTMENTS has acquired Foundry Management & Design Co, a technical consultancy for the foundry industry. Abaco is the professional services arm of British & Commonwealth Holdings FMD will join Technical Audit Group, the holding company for Abaco's technology-based consultancies.

BABYCO's directors and their families have irrevocably undertaken to accept the offer from Robert H Lowe in respect of their holdings of 1.72m shares (16.3 per cent). In addition, investors in Industry (3), Save and Prosper Group, Kleinwort Grieson Investment Management and Thromorton Investment Management have indicated their intention to accept the offer in respect of an aggregate holding of 3.69m Babyco shares (35.1 per cent).

BRITISH SYPHON Industries, industrial group, is selling Graphic & Display Products to Hartons Group for about £2.4m cash. Hartons will also settle GDP's indebtedness of about £3.4m. British Syphon has retained the freehold properties occupied by GDP and intends to sell them to raise about £3m.

CANNON STREET Investment has acquired Cambus Foods through its subsidiary T and L (Fine Food and Wine) for £500,000 cash. Profit for the year to March 31 1988, after adjusting for directors' remuneration, amounted to £196,000. Net assets at the date were £280,000.

ERSKINE HOUSE: Rights issue of new 7.25p convertible cumulative redeemable preference shares taken up as to 20.6m shares (79.4 per cent).

INOCO: a subsidiary of Monaco Group Fund has purchased 2.58m ordinary, and the shareholding of Monaco and its associates now amounts to 62.58m (48.48 per cent). Mr D. Row-

land, a director of Inoco, is taken to be beneficially interested in these shares. Inoco has also disposed of its leasehold investment property in Edgbaston, Birmingham, for £3m.

MARLBOROUGH LEISURE Park has bought Landsaver MCP from Eagle Trust for £5m. Landsaver, a hydroponic company, has been chosen to provide the machines which will produce fresh grass for the horses of the British equestrian team at the Olympics. Eagle Trust has acquired a 10 per cent stake in Marlborough.

NSM has substantially reduced overheads and made satisfactory progress in merging the two coal mining workforces. Mr Don Carr, its new chairman, told the annual meeting. The company was formed in April from an asset swap scheme between Anglo United and Burnett & Hallamshire. Mr Carr said new sites were being developed by NSM and a review of its core activities undertaken. NSM had traded very satisfactorily in the first few months.

OSPREY COMMUNICATIONS has acquired a small design studio, Eisey Sidaway and Wallace, for £135,000 to be paid over two years. Agreement has also been reached to acquire Marketing Strategy, a promotions company, for which the initial consideration will be satisfied by the issue of 523,255 ordinary shares.

SPANDEX, supplier to the signs industry, has bought 80 per cent of Signes Diseno, Spanish signmaker, for an undisclosed sum. The balance will be bought within the next five years on a profit-related basis.

SOUND SYSTEMS: the offer from Telephone Rentals has become unconditional in all respects. Acceptances have been received in respect of 650,000 (100 per cent).

To the Holders of COLLATERALIZED MORTGAGE OBLIGATION TRUST TWENTY-THREE Class A Floating Rate Bonds Due May 1, 2017 Pursuant to the Indenture dated as of March 11, 1987 between Collateralized Mortgage Obligation Trust Twenty-Three and Texas Commerce Bank as Trustee, notice is hereby given that the interest rate applicable to the above Bonds for the interest period from August 1, 1988 through October 31, 1988 as determined in accordance with the applicable provisions of the Indenture, is 8.8375% per annum.

To the Holders of COLLATERALIZED MORTGAGE OBLIGATION TRUST EIGHTEEN Class A-1 Floating Rate Bonds Due February 1, 2017 Pursuant to the Indenture dated as of November 26, 1986 between Collateralized Mortgage Obligation Trust Eighteen and Texas Commerce Bank as Trustee, notice is hereby given that the interest rate applicable to the above Bonds for the interest period from August 1, 1988 through October 31, 1988 as determined in accordance with the applicable provisions of the Indenture, is 8.9375% per annum.

GOTHENBURG & WEST OF SWEDEN The Financial Times proposes to publish this survey on: 14th October 1988 For a full editorial synopsis and advertisement details, please contact: Chris Schausberg on 01-248 9000 ext 5699 or write to him at: Bracken House 10 Cannon Street London EC4P 4BY FINANCIAL TIMES EUROPE'S BUSINESS NEWS PAPER

Republic New York Corporation U.S. \$150,000,000 Puttable Capital Notes For the six month period 27th July, 1988 to 27th January, 1989 the Notes will carry an interest rate of 8 1/4% per annum with an interest amount of U.S. \$450,42 per U.S. \$10,000 Note payable 27th January, 1989.

Mitsubishi Bank of Australia Limited A\$50,000,000 Floating Rate Notes due 1991 Notice is hereby given that for the three months interest period from 28th July to 28th October, 1988 the Notes will carry an interest rate of 12.82% per annum. Interest payable on 28th October, 1988 will amount to A\$1,611.26 per A\$50,000 Note. The Mitsubishi Bank, Limited London Branch Agent Bank

The next best thing to tomorrow's share price page. 0898 12 12 40/41 Leading shares A-K/L-Z respectively. CITYCALL

NOTICE OF MEETING NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING OF MEMBERS OF FRIENDS' PROVIDENT LIFE OFFICE will be held at 15 OLD BAILEY, LONDON EC4M 7AP ON WEDNESDAY 14TH SEPTEMBER 1988, at 2.15 p.m. to transact the following special business: To propose as an ordinary resolution: THAT the limit on the aggregate amount which directors shall be entitled to receive as remuneration for their services in each year be increased from £100,000 to £112,000. By Order of the Directors B. W. SWEETLAND Secretary 3rd August 1988 Friends' Provident Life Office, Pixham End, Dorking, Surrey RH4 1QA. NOTES (a) A Member is entitled to appoint another person (who need not be a Member) to attend the above meeting and vote instead of him. (b) To be valid the instrument appointing a proxy, which should be as near to the form set out in rule 30 of the Rules of the Office as circumstances admit, and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must be deposited at Pixham End, Dorking, Surrey RH4 1QA, not less than 48 hours before the time fixed for holding the meeting, or adjourned meeting, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll. (c) Proxy forms may be obtained on application to the Secretary. (d) Members intending to attend and vote personally at the meeting should be prepared to quote their policy numbers. (e) Only Members are entitled to vote. Certain policyholders are not Members. If a policyholder who is not also a Member completes and returns a form of proxy, it will not be counted. (f) Members have one vote each irrespective of the number of policies held. (g) Members are entitled, on application to the Secretary, to receive a copy of the Report and Accounts.

These Securities having been sold, this announcement appears as a matter of record only. New Issue Imasco Limited (Incorporated under the laws of Canada) Can. \$100,000,000 10 1/2% Notes due July 7, 1993 Issue Price: 101 1/4% ScotiaMcLeod Inc. Commerzbank Aktiengesellschaft J.P. Morgan Securities Ltd. Morgan Stanley International RBC Dominion Securities Inc. Banque Bruxelles Lambert S.A. Cera-Spaarbank County NatWest Limited Crédit Lyonnais Credit Suisse First Boston Limited Deutsche Bank Capital Markets Limited Generale Bank Manufacturers Hanover Limited The Nikko Securities Co., (Europe) Ltd. Richardson Greenshields of Canada (UK) Limited Shearson Lehman Hutton International Société Générale Union Bank of Switzerland (Securities) Limited Yamaichi International (Europe) Limited July 1988



UK COMPANY NEWS

No approaches to Amersham despite bid speculation

Amersham International, the radioactive materials group which has been beset by bid speculation since the Government redeemed its golden share last Wednesday, has not received a takeover approach, writes David Waller.

Plessey buys Monsanto offshoot

Plessey electronics group, yesterday announced that it had agreed in principle to buy part of Fisher Controls, a London-based subsidiary of Monsanto, writes Vanessa Houlder.

In a related deal, MBM Technology, a subsidiary of Morgan Crucible is negotiating the purchase of the servo division of Fisher Controls, which specialises in torque motors for the defence market.

Labour calls for referral of RHM bid

Mr Tony Blair MP, the Labour Party's city spokesman, has added his weight to the lobby which wants the £1.7bn takeover bid by Goodman Fielder Watia, Australasian food group, for Rank Hovis McDougall, referred to the Monopolies and Mergers Commission, writes Ivor Owen.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, Corres. dividend, Total for last year, Total for this year.

BOARD MEETINGS

Table with columns: Company, Date, and notes on board meetings.

Japanese to get their teeth into Bonio

By Christopher Parkes, Consumer Industries Editor. ON THE heels of McDonald's popular breakthrough with hamburgers, and Unilever's introduction of Fish-On Fingers, the Japanese market's appetite for western foods is soon to be tested again...

The object is to carve out a share in the fastest-growing prepared petfood market in the world. According to Spillers, only about 20 per cent of Japanese cats and dogs are fed packaged products.

No sooner had the Peter Gray affair eased out of the headlines than Mr Richard Thornton launched a bid for the £240m TR Pacific Basin fund, one of the largest of the 11 investment trusts then managed by TR. Hard on his heels were other predators/agitators at the TR Technology, TR Natural Resources, and (more discreetly) TR North America.

For the company, ahead of the purchase of a 15 per cent stake by US insurer, Liberty Mutual announced yesterday, was wholly-owned by the investment trusts it manages. This slightly unusual structure dates from the early-seventies when Touche Ross, the international accounting company, hived off its fund management operations to create Touche Renmant.

Wagon receives 82% acceptances. Wagon Industrial Holdings has received acceptances for 81.6 per cent of ordinary shares and 87.9 per cent of preference shares in Barro Industries.

Liberty plays welcome role at TR

Nikki Tait on the mutual benefits of the US insurer's 15% stake

"LET'S BE honest, a year ago the press in effect put a 'For Sale' sign over Touche Renmant." So says Mr Paul Manduca, vice-chairman of the City-based fund management group and Britain's largest investment trust house.

He is not exaggerating. Speculation over the unquoted group started to mount in the autumn of 1986, and in October TR confirmed that it was in talks with Metropolitan Life Insurance of New York, the world's third largest life company.

Discussions dragged on for several months, before prices were finally agreed for the future to reach agreement. But by then ructions within the company's management were coming to light - leading to a boardroom reshuffle and subsequent acrimonious departure of Mr Peter Gray, former managing director.

Links between TR and Stein Roe already exist, Mr Robert McNeill, executive vice president of Stein Roe, previously served on TR's North American advisory board, and TR acts as adviser on the Stein Roe International Growth Fund, launched last October.

SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday reported interim pre-tax profits of £1.8m, a 36 per cent increase on the £1.3m reported for the same period last year.

Table: June division of managed funds. Columns: Investment Trusts, Unit Trusts, Overseas Unit Trusts, Charities, International Funds, Private Clients, Pension Funds, Total.

Lord Remnant, chairman of Touche Renmant. The company's management were coming to light - leading to a boardroom reshuffle and subsequent acrimonious departure of Mr Peter Gray.

SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday reported interim pre-tax profits of £1.8m, a 36 per cent increase on the £1.3m reported for the same period last year.

SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday reported interim pre-tax profits of £1.8m, a 36 per cent increase on the £1.3m reported for the same period last year.

SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday reported interim pre-tax profits of £1.8m, a 36 per cent increase on the £1.3m reported for the same period last year.

SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday reported interim pre-tax profits of £1.8m, a 36 per cent increase on the £1.3m reported for the same period last year.

SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday reported interim pre-tax profits of £1.8m, a 36 per cent increase on the £1.3m reported for the same period last year.

SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday reported interim pre-tax profits of £1.8m, a 36 per cent increase on the £1.3m reported for the same period last year.

SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday reported interim pre-tax profits of £1.8m, a 36 per cent increase on the £1.3m reported for the same period last year.



Lord Remnant, chairman of Touche Renmant.

SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday reported interim pre-tax profits of £1.8m, a 36 per cent increase on the £1.3m reported for the same period last year.

SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday reported interim pre-tax profits of £1.8m, a 36 per cent increase on the £1.3m reported for the same period last year.

SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday reported interim pre-tax profits of £1.8m, a 36 per cent increase on the £1.3m reported for the same period last year.

Racal and Millicom battle near to climax

By Hugo Dixon

THE INTELLECTUAL battle between Racal Electronics and Millicom, the US telecommunications company, over the future of Racal's telecommunications subsidiary appears to be swinging Millicom's way.

However, Racal still seems likely to win shareholders support at an extraordinary meeting on August 16 for its plan to float off 20 per cent of the telecommunications subsidiary, which includes Vodafone, in a share issue which could raise £400m.

There is an inclination among UK institutional shareholders to back the management unless very powerful counter-arguments can be produced. A concession last month by the Racal board, allowing shareholders first rights to 75 per cent of the new shares, also seems to have won round some institutions.

SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday reported interim pre-tax profits of £1.8m, a 36 per cent increase on the £1.3m reported for the same period last year.

Securicor boosted by traditional business

By David Waller

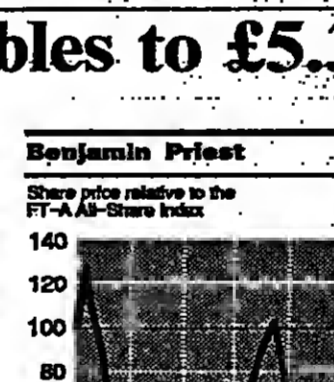
SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday reported interim pre-tax profits of £1.8m, a 36 per cent increase on the £1.3m reported for the same period last year.

Benjamin Priest doubles to £5.3m

By Vanessa Houlder

BENJAMIN PRIEST, the restructured engineering group, yesterday announced that it had more than doubled pre-tax profits to £5.3m for the year to April 1 against £2.5m previously.

Benjamin Priest



Murray Intl

Net asset value per 35p ordinary and "B" ordinary share of Murray International Trust amounted to 25.2p at June 30, a downturn of 32p on the figure 12 months earlier.

Advertisement for TOTAL Compagnie Française des Pétroles. Includes logo, company name, Paris, France, ECU 50,000,000, 7% Bonds of 1988/1993, and a list of international banks.

Advertisement for WILLIAM SINDALL plc. Includes company name, registered in England No. 521970, rights issue of 5,000,000 5.625 per cent convertible cumulative redeemable preference shares of £1 each at par.

Advertisement for GRANVILLE SPONSORED SECURITIES. Includes company name, list of securities with prices and yields, and contact information for Granville & Co. Ltd.



CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar better after weak start

THE DOLLAR recovered from a weaker start in currency markets yesterday, after further evidence of strong growth in the US economy. There was concern that the US Federal Reserve may soon act to push interest rates higher in order to stop the economy overheating.

DML88, it was still below this level at the close in London, finishing at DML87.55 from DML87.65. It was slightly firmer against the yen at Y182.90 from Y182.75. Elsewhere it finished at SF15.620 from SF15.615 and FF16.250 from FF16.275. On Bank of England figures, the dollar's exchange rate index was quoted at 83.6 from 82.7.

Investors may be waiting for the release of US unemployment figures for July - due on Friday - before increasing their dollar portfolios. However, some forecasters have cautioned that job data for July could be misleading. Most traders expect a further decline in unemployment to be followed by a prompt rise in US interest rates in order to hold the rate of expansion in the economy. But some analysts have pointed out that the June job survey was conducted very late in the month, and may have picked up a number of casual workers, but finishing below its best at Y70.88.

Table with columns: Country, Currency, % change, % change, Disparity. Includes entries for DM, SF, FF, Yen, etc.

IN NEW YORK

The dollar opened on a weaker note, having been sold off in late New York and Far East trading, after its failure to break through resistance at 1.7250.

STERLING INDEX

Table with columns: Date, Index, Change. Shows sterling index values for various dates.

CURRENCY RATES

Table with columns: Currency, Rate, Change. Lists rates for Sterling, US Dollar, Canadian Dollar, etc.

CURRENCY MOVEMENTS

Table with columns: Currency, Movement, Change. Shows movements for Sterling, US Dollar, etc.

OTHER CURRENCIES

Table with columns: Country, Currency, Rate, Change. Lists rates for Argentina, Australia, etc.

EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Currency, % change, % change, Disparity. Includes entries for DM, SF, FF, Yen, etc.

POUND SPOT - FORWARD AGAINST THE POUND

Table with columns: Term, Rate, Change. Shows pound spot and forward rates.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table with columns: Term, Rate, Change. Shows dollar spot and forward rates.

EURO-CURRENCY INTEREST RATES

Table with columns: Term, Rate, Change. Shows interest rates for various currencies.

EXCHANGE CROSS RATES

Table with columns: Currency, Rate, Change. Shows cross rates between currencies.

FINANCIAL FUTURES

US Treasury bonds firm

ATTENTION WAS focused on dollar denominated instruments on the financial futures market yesterday. US debt futures met demand on publication of strong economic data. The market was impressed with the strength of factory orders, which rose 5.5 p.c. in June.

US leading indicators encouraged the trend, and particularly the downward revision in the May figure, to a fall of 0.8 p.c. from the previously announced decline of 0.1 p.c. This reduced fears of overheating in the economy. The June rise of 1.4 p.c. was in line with expectations.

Table with columns: Series, Price, Change. Lists various financial futures contracts.

and after touching a three-week high, moved through another resistance level at around 86-30 yesterday. On Life in London September bonds touched a peak of 87-11, before closing at 87-07.

BASE LENDING RATES

Table with columns: Bank, Rate, Change. Lists base lending rates for various banks.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Price, Change. Lists European options exchange data.

FINANCIAL FUTURES

Table with columns: Series, Price, Change. Lists various financial futures contracts.

FT LONDON INTERBANK FIXING

Table with columns: Term, Rate, Change. Shows interbank fixing rates.

MONEY RATES

Table with columns: Term, Rate, Change. Shows money market rates.

LONDON MONEY RATES

Table with columns: Term, Rate, Change. Shows London money market rates.

Advertisement for 'Soft' Focus Pensions Management, featuring an illustration of eyes and text describing their services.



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abstract Management Ltd, Aegle Unit Trust, Aetna Unit Trusts, and others, including their names, managers, and performance metrics.

Table listing unit trusts such as Anderson Group Unit Trust, Artwright Management, Asset Unit Trust, and others, including their names, managers, and performance metrics.

Table listing unit trusts such as Balfour Beatty, Bank of Ireland, Barclays, and others, including their names, managers, and performance metrics.

Table listing unit trusts such as Baring, Baring Funds, Baring Growth, and others, including their names, managers, and performance metrics.

I.G. INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD. Tel: 01-828 7233/5699. Reuters Code: IGIN, IGIO.

JOTTER PAD. A section for handwritten notes or calculations.

CROSSWORD

Crossword puzzle grid with clues. Clues include: 1. Having little enthusiasm, only partially try the man (4-7); 7. Boastful talk is mainly cut (3); 9. This lamp is easy to move (5); 10. The start of an event is held with short (rum) (8); 11. Two students with meal and tea upset with certain plates (9); 12. Top class wise man's routine (5); 13. Genuine transmission's to brand, one hears (7); 14. Provide a rent drop? (4); 15. Admen usually included it (list of orders) (4); 16. The overweight care for (7); 17. Bit of a conflict (5); 18. Helps the waiting (and it's not unlawful) (5,4); 19. "Micro" game on blink affecting man and his work (9); 20. Minister's stipend - old money for a short time (5); 21. Showy marble is lost, how dull? (3); 22. Treat all? Oul! When cooked it's a casserole (11).

ACROSS: 1 Having little enthusiasm, only partially try the man (4-7); 7 Boastful talk is mainly cut (3); 9 This lamp is easy to move (5); 10 The start of an event is held with short (rum) (8); 11 Two students with meal and tea upset with certain plates (9); 12 Top class wise man's routine (5); 13 Genuine transmission's to brand, one hears (7); 14 Provide a rent drop? (4); 15 Admen usually included it (list of orders) (4); 16 The overweight care for (7); 17 Bit of a conflict (5); 18 Helps the waiting (and it's not unlawful) (5,4); 19 "Micro" game on blink affecting man and his work (9); 20 Minister's stipend - old money for a short time (5); 21 Showy marble is lost, how dull? (3); 22 Treat all? Oul! When cooked it's a casserole (11).

City Financial Services and Investments Ltd, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Commercial Unit Trusts, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Confederation Funds, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Consolidated Unit Trusts, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Corbett Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Crest Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

Debenhams Unit Trust, 20 Colindale Avenue, London NW9 1TA. Tel: 01-262 0044.

GUIDE TO UNIT TRUST PRICING. The data included under the Authorised section of the FT Unit Trust Information pages is being expanded to improve the service to readers and to conform with new legislation. This represents the market, administrative and other costs which have to be paid by the investor. These charges are included in the price when the customer buys units. The price at which units may be bought. CANCELLATION PRICE. The maximum spread between the offer and bid price is determined by a formula laid down by the government. In practice, unit managers quote a much narrower spread. As a result, the bid price is often set well above the minimum permissible price which is reflected in the cancellation price in the Unit. However, the bid price might be moved to the cancellation price in circumstances in which there is a large excess of offers of units over bids. The time shown alongside the fund manager's name is the time at which the unit trust's daily net asset value is normally set and is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: - 0900, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00, 42.00, 43.00, 44.00, 45.00, 46.00, 47.00, 48.00, 49.00, 50.00, 51.00, 52.00, 53.00, 54.00, 55.00, 56.00, 57.00, 58.00, 59.00, 60.00, 61.00, 62.00, 63.00, 64.00, 65.00, 66.00, 67.00, 68.00, 69.00, 70.00, 71.00, 72.00, 73.00, 74.00, 75.00, 76.00, 77.00, 78.00, 79.00, 80.00, 81.00, 82.00, 83.00, 84.00, 85.00, 86.00, 87.00, 88.00, 89.00, 90.00, 91.00, 92.00, 93.00, 94.00, 95.00, 96.00, 97.00, 98.00, 99.00, 100.00.



FT UNIT TRUST INFORMATION SERVICE

Main table containing financial data for various unit trusts, including columns for Name, Price, Yield, and other financial metrics. The table is organized into sections such as 'Other UK Unit Trusts', 'Savings & Investment', 'Equity & Bond', and 'Legal & General'.

INSURANCES

Table listing various insurance policies and providers, including details on policy types and associated costs.

Table titled 'OTHER UK UNIT TRUSTS' listing additional unit trust options and their performance metrics.



FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections like 'MANAGEMENT SERVICES', 'OFFSHORE AND OVERSEAS', and 'UK LISTED'.

FT UN

Handwritten signature or mark at the bottom center of the page.



FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Type, and other details.

Table of LONDON SHARE SERVICE, including sections for BRITISH FUNDS, FOREIGN BONDS & RAILS, AMERICANS, INT. BANK AND OCEANS GOVT STERLING ISSUES, CORPORATION LOANS, COMMONWEALTH & AFRICAN LOANS, and LOANS.

OTHER OFFSHORE FUNDS

Table of OTHER OFFSHORE FUNDS, listing various offshore investment funds.

Table of Money Market Trust Funds, listing various money market and trust funds.

Money Market Trust Funds

Table of Money Market Bank Accounts, listing various bank accounts and services.

Money Market Bank Accounts



LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American stocks including IBM, Microsoft, and various financial institutions with columns for stock name, price, and change.

BANKS, HP & LEASING

Table listing banks and leasing companies such as Citicorp, Citicredit, and various regional banks.

Hire Purchase, Leasing, etc.

Table listing hire purchase and leasing services with columns for company name, price, and change.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies like Carlsberg, Heineken, and various distillers.

BUILDING, TIMBER, ROADS - Contd

Table listing building, timber, and road construction companies such as Bovis Lend Lease and Wimpey.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies including ICI, Shell Chemicals, and various specialty manufacturers.

DRAPERY AND STORES

Table listing drapery and retail store companies like Debenhams and various department stores.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road construction companies, including Bovis Lend Lease and Wimpey.

ELECTRICALS

Table listing electrical engineering and services companies such as British Telecom and various utility providers.

ENGINEERING - Contd

Table listing engineering and manufacturing companies including BAE Systems and various industrial firms.

ENGINEERING

Table listing engineering and manufacturing companies, including BAE Systems and various industrial firms.

ENGINEERING - Contd

Table listing engineering and manufacturing companies, including BAE Systems and various industrial firms.

FOOD, GROCERIES, ETC

Table listing food and grocery companies such as Unilever, Nestle, and various supermarket chains.

HOTELS AND CATERERS

Table listing hotels and catering services including Hilton, InterContinental, and various restaurant groups.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies across various sectors.

INDUSTRIALS (Miscel.) - Contd

Table listing miscellaneous industrial companies, including various manufacturing and service firms.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies, including various manufacturing and service firms.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial companies, including various manufacturing and service firms.

INDUSTRIALS (Miscel.) - Contd

Table listing miscellaneous industrial companies, including various manufacturing and service firms.

INSURANCES

Table listing insurance companies such as Lloyds, Aviva, and various life and general insurers.

LEISURE

Table listing leisure and entertainment companies including British Airways and various holiday providers.

Handwritten signature or mark at the bottom center of the page.



LONDON SHARE SERVICE

LEISURE - Contd

Table listing leisure companies such as British Leyland, GKN, and others with their share prices and market data.

PAPER, PRINTING, ADVERTISING - Contd

Table listing paper, printing, and advertising companies like Newsprint, Weybridge, and others.

TEXTILES - Contd

Table listing textile companies such as British Textiles, J. & J. Textiles, and others.

TRUSTS, FINANCE, LAND - Contd

Table listing trusts, finance, and land companies like British Trustee, Finance, and others.

OIL AND GAS - Contd

Table listing oil and gas companies such as Anglo-Iranian, Shell, and others.

MINES - Contd

Table listing mining companies like Anglo-American, Anglo-Consolidated, and others.

PROPERTY

Table listing property companies such as British Property, Anglo-Continental, and others.

TOBACCO

Table listing tobacco companies like British American Tobacco, J. & J. Tobacco, and others.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies like British Trustee, Finance, and others.

OVERSEAS TRADERS

Table listing overseas trading companies such as Anglo-Siam, Anglo-Siam, and others.

PLANTATIONS

Table listing plantation companies like Anglo-Siam, Anglo-Siam, and others.

THIRD MARKET

Table listing third market companies such as Anglo-Siam, Anglo-Siam, and others.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft trade companies like British Leyland, GKN, and others.

Commercial Vehicles

Table listing commercial vehicle companies like British Leyland, GKN, and others.

Components

Table listing component companies like British Leyland, GKN, and others.

Garages and Distributors

Table listing garage and distributor companies like British Leyland, GKN, and others.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publisher companies like Newsprint, Weybridge, and others.

PAPER, PRINTING, ADVERTISING

Table listing paper, printing, and advertising companies like Newsprint, Weybridge, and others.

SHIPPING

Table listing shipping companies like British Overseas Airways, British Airways, and others.

SHOES AND LEATHER

Table listing shoes and leather companies like British Leather, Anglo-Continental, and others.

SOUTH AFRICANS

Table listing South African companies like Anglo-American, Anglo-Consolidated, and others.

TEXTILES

Table listing textile companies such as British Textiles, J. & J. Textiles, and others.

Finance, Land, etc

Table listing finance, land, and other companies like British Trustee, Finance, and others.

OIL AND GAS

Table listing oil and gas companies such as Anglo-Iranian, Shell, and others.

MINES

Table listing mining companies like Anglo-American, Anglo-Consolidated, and others.

Far West Rand

Table listing Far West Rand companies like Anglo-American, Anglo-Consolidated, and others.

G.F.S.

Table listing G.F.S. companies like Anglo-American, Anglo-Consolidated, and others.

Central African

Table listing Central African companies like Anglo-American, Anglo-Consolidated, and others.

Finance

Table listing finance companies like British Trustee, Finance, and others.

Australians

Table listing Australian companies like Anglo-American, Anglo-Consolidated, and others.

NOTES

Stock Exchange listing classifications are indicated to the right of the security names. A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

REGIONAL & IRISH STOCKS

Table listing regional and Irish stocks like Anglo-Siam, Anglo-Siam, and others.

TRADITIONAL OPTIONS

Table listing traditional options like Anglo-Siam, Anglo-Siam, and others.

This service is available to every Company dealt in on the Stock Exchange through the United Kingdom for a fee of £140 per annum for each security.



FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Tuesday August 2 1988, Mon Aug 1, Fri Jul 29, Thu Jul 28, Year ago (approx). Rows include CAPITAL GOODS (299), Building Materials (29), etc.

RISES AND FALLS YESTERDAY

Table showing RISES AND FALLS YESTERDAY for British Funds, Corporations, etc. Columns: Rise, Fall, Same.

LONDON RECENT ISSUES

Table showing LONDON RECENT ISSUES with columns: Issue, Price, etc.

FIXED INTEREST STOCKS

Table showing FIXED INTEREST STOCKS with columns: Issue, Price, etc.

RIGHTS OFFERS

Table showing RIGHTS OFFERS with columns: Issue, Price, etc.

TRADITIONAL OPTIONS

Table showing TRADITIONAL OPTIONS with columns: Issue, Price, etc.

LONDON TRADED OPTIONS

Large table showing LONDON TRADED OPTIONS with columns: Option, Calls, Puts, etc.

FIXED INTEREST

Table showing FIXED INTEREST with columns: PRICE INDICES, etc.

1st July, Highs and lows record, base dates, values and constituent changes are published in Saturday Issues...

ISSUE BY AUCTION OF £750,000,000 8 1/2 per cent TREASURY STOCK, 1994 FOR AUCTION ON A BID PRICE BASIS

APPLICATION FORM (THIS FORM MAY BE USED) ECAM SAA NOT LATER THAN 10.00 A.M. ON WEDNESDAY, 10TH AUGUST 1988...

ISSUE BY AUCTION OF £750,000,000 8 1/2 per cent Treasury Stock, 1994 FOR AUCTION ON A BID PRICE BASIS

Handwritten signature or mark at the bottom of the page.







COMMODITIES AND AGRICULTURE

Gloomy outlook for grain exports

By Bridget Bloom, agriculture correspondent

DECLINING MARKETS for grains produced by industrialised countries could necessitate the removal from grain production of nearly 50m hectares of land...

ports and railways in many developing countries will also severely limit higher imports. The IWC notes that demand for grains has grown in developing countries...

While it notes that there are very considerable regional disparities among developing countries, it predicts that the rate of increase in their total demand will slow to 2.5 per cent a year...

US soya growers face quality challenge

Deborah Hargreaves on the threat to Japanese market share

US SOYABEAN growers will have to improve the quality of their crop if they are to hold market share in Japan...

THE ARGENTINE Economy Ministry has introduced a 3 per cent tax rebate on exports of soya products...

It said the rebate was aimed at correcting distortions created by production and export incentives in other countries.

quality, Mr Sakai stressed. Otherwise, given the opportunity, end-users would turn to other sources.

US suppliers had not ignored quality issues and had shown a willingness to get together with transport companies, exporters and processors to discuss quality problems...

Mr Bader said, "there is no incentive to pay much attention to growing plants with a higher protein content."

and lower quality US beans. However, in spite of the drought, which is expected to cut soyabean output to anything from 1.3m to 1.5m bushels...

Portuguese grain port plans big expansion

By Diana Smith in Lisbon

SILOPOR, PORTUGAL'S year-old grain storage and handling corporation, has launched an ambitious plan to rival Rotterdam as a centre for the transfer of grain and solid animal feeds from large bulk carriers to smaller coastal vessels.

The focus of the plan is Silopor's new, fully computerised grain terminal at Trafaria, 12km from Lisbon...

Geographically Portugal's ports are competitive with northern European ports: they are on the main routes between North or South America, the Mediterranean and beyond.

INTERNATIONAL BOURSES The Financial Times proposes to publish this survey on 21st September 1988.

Coffee prices in free fall

By David Blackwell

COFFEE PRICES went into free fall again yesterday in both London and New York as what one dealer described as "the sickness in the market" returned.

On the London Futures and Options Exchange (Fro) three-month robusta coffee closed almost £100 a tonne down after touching a seven-year low of £280 a tonne...

Analysis and traders agree that the fundamentals of the coffee market have been overtaken by technical factors.

THE INTERNATIONAL Cocoa Organisation (ICCO) yesterday bought 7,610 tonnes of cocoa for its buffer stock to replace earlier purchases which contracted traders failed to deliver on time.

have left the people who really care about the coffee market standing on the sidelines, said one.

the International Coffee Organisation's world export quota, which now stands at 51.5m bags. The cut - the last year - had been fully discounted by the market...

Brokers disagree about copper

By Kenneth Gooding, Mining Correspondent

TWO SHARPLY contrasting views of the future for copper are presented by the latest average is predicted to fall to 80 cents.

Both brokers base their price predictions on their views of potential supply and demand. Shearson expects a small surplus in 1988 followed by a much larger one in 1989.

the first six months, implying an average of 98 cents for the year as a whole.

For our estimate of consumption to be satisfied, mine production will have to rise by almost 550,000 tonnes this year, it says.

Copper Council, that 1988 mine output would rise by about 350,000 tonnes.

Floods damage Chinese crops

MAIZE, POTATO and soyabean crops in southeast China's Zhejiang province will be sharply reduced following weekend flash floods...

WEEKLY METALS PRICES

Table with columns for metal names (Aluminum, Copper, Gold, Silver, etc.) and their weekly price ranges.

LONDON MARKETS

BASE METAL contracts denominated in sterling on the LME were buoyed by the pound's weakness against the dollar yesterday.

Table of commodity prices for COCOA, COFFEE, SUGAR, and other goods.

WORLD COMMODITIES PRICES

Table of international commodity prices for various metals and grains.

US MARKETS

Chicago and New York grain markets were the days most active commodities, reports Proxel Burnham Lambert in New York...

New York

Table of New York market prices for gold, platinum, and silver.

Chicago

Table of Chicago market prices for soybeans, maize, and wheat.

WHEAT

Table of wheat prices for various grades and origins.

SPOT MARKETS

Table of spot market prices for oil products, gas, and other commodities.

SOYABEAN MEAL

Table of soyabean meal prices for various grades.

LONDON BULLION MARKET

Table of London bullion market prices for gold, silver, and platinum.

FRUGHT FUTURES

Table of freight futures prices for various shipping routes.

PLATINUM

Table of platinum prices for various grades.

SILVER

Table of silver prices for various grades.

ORANGE JUICE

Table of orange juice prices for various grades.

WHEAT

Table of wheat prices for various grades and origins.

POTATOES

Table of potato prices for various grades.

WHEAT

Table of wheat prices for various grades and origins.

WHEAT

Table of wheat prices for various grades and origins.

WHEAT

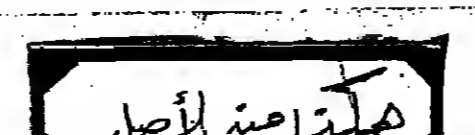
Table of wheat prices for various grades and origins.

WHEAT

Table of wheat prices for various grades and origins.

WHEAT

Table of wheat prices for various grades and origins.





WORLD STOCK MARKETS

Table of world stock markets including Australia, France, Germany, Netherlands, Sweden, and others. Columns include stock names, prices, and changes.

Table of world stock markets including Japan, Austria, Hong Kong, Singapore, and others. Columns include stock names, prices, and changes.

Table of stock indices including New York Dow Jones, Standard and Poors, Canada, and New York Active Stocks.

OVER-THE-COUNTER

Table of over-the-counter stock prices including Nasdaq national market, 2pm prices August 2.

Advertisement for 'Travelling on Business?' featuring Hotel Cravat, Holiday Inn, and Intercontinental Hotel.

Table titled 'TOKYO - Most Active Stocks' showing Tuesday 2 August 1988 data.

Advertisement for 'Have your F.T. hand delivered...' with contact information for Athens.

Advertisement for '12 issues free when you first subscribe to the Financial Times'.

Advertisement for 'Have your F.T. hand delivered every morning in Switzerland'.

Advertisement for 'When you take out your first subscription to the FT...'.

Advertisement for 'If you work in the business centre of BAAR, BASEL, BERNE, GENEVA...'.

Subscription form with fields for Name, Title, Company, Address, and Tel.

Advertisement for '12 FREE ISSUES' with details on subscription benefits.

Advertisement for 'Travelling by air on business?'.

Advertisement for 'Have your F.T. hand delivered' with flight routes.

Advertisement for 'Enjoy reading your complimentary copy of the Financial Times...'.

Advertisement for 'Have your F.T. hand delivered' with flight routes.







NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for stock name, price, change, and volume.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices listing various stocks with columns for stock name, price, change, and volume.

OVER-THE-COUNTER

Nasdaq national market, 2pm prices August 2

Table of Over-the-Counter prices listing various stocks with columns for stock name, price, change, and volume.

Advertisement for Financial Times: 'Have your F.T. hand delivered in Norway'. Includes contact information for Oslo (02) 684020.

Advertisement for Financial Times: 'Have your F.T. hand delivered... at the start of every working day'. Includes contact information for Brussels (02) 513 2816.

Advertisement for Financial Times: 'Travelling by air on business? Enjoy reading your complimentary copy of the Financial Times...'. Includes contact information for Frankfurt (069) 7598-101.



AMERICA

Fragile Dow drifts despite promising economic news

Wall Street

EQUITIES continued their sideways drift, failing to take heart from a more positive performance by the bond market, writes Janet Bush in New York. At 2pm, the Dow Jones Industrial Average stood 3.55 points lower at 2,126.96 in active volume of 106m shares. Meanwhile, US Treasury bonds built on Monday's gains to be quoted up to 1/2 point higher in long-dated maturities. The Treasury's benchmark long bond stood 1/2 point higher at midsession to yield 9.11 per cent. Stocks had started the session modestly higher, cheered by news of a downward revision in leading indicators in May and April. June's leading indicators rose by 1.4 per cent, which was in line with expectations. However, May's indicators were revised to a fall of 0.8 per cent from the 0.1 per cent decline originally reported and April's increase was revised to 0.3 per cent from 0.5 per cent. The figures were seen as evidence that inflationary pressures might be less than previously thought. A sign of the fragility of the stock market after last week's 50-point rally came as equities dipped back on stronger economic news later in the morning, while bonds built on their gains in spite of the subsequent releases. New factory orders rose 5.5

per cent in June compared with a revised decline of 0.7 per cent in May. Single family home sales rose by 8.4 per cent in June following a revised 0.6 per cent fall the previous month. The pattern of the last few weeks has been that the equity market has risen a number of times to about 2,130 on the Dow and faltered. The index peaked at 2,158.61 on July 5 and then declined steadily. By July 15, it had clawed its way back to 2,129.45 and then set off on another decline. Last week's hefty rise took the index back up to 2,130.51, where it closed on Monday. Stocks do not show any sign of being able to break out of this trading range, in spite of the release of some encouraging corporate results and the fact that the market has already built in fears about higher inflation and interest rates into its perceptions. By contrast, the bond market has looked reasonably resilient and the yield on the long bond dropped from well above 9.25 per cent to 9.1 per cent at midsession yesterday. Among featured equities was Pillsbury, which has been at the centre of takeover speculation. It jumped 1/4 to \$39 3/4 on reports that New York property developer, Mr Donald Trump, had bought a stake in the company and filed for clearance to build his interest to 25 per cent.

North Carolina National Bank continued its climb as the market showed confidence in the management's ability to absorb the main operations of First Republicbank. It added another 1/4 to \$26 3/4. Texaco added 3/4 to \$47 3/4 after the company said it was seeking a buyer for its 78 per cent stake in Texaco Canada. Beck's, the discount department store, dropped 1/4 to \$4. The company said it would cancel all common stock under a reorganisation plan filed in the Federal Bankruptcy Court. In over-the-counter trading, Seagate Technology dropped 1/4 to \$14 1/4 after the company said it might not be profitable in its first quarter, ending September 30. Sun Microsystems rose 1/4 on the OTC market to \$38 1/4 on news that its net earnings rose to 68 cents a share in the quarter ending June 30, compared with 39 cents a year earlier.

Elderly bourse displays a youthful vitality

The Dublin Stock Exchange, which began trading at the end of the 18th century, is one of the oldest in Europe. It is also one of the most volatile. Since the beginning of this year, Dublin has shrugged off the dramatic falls of last October with a rise of about 50 per cent in the Davy's index, making it the best performer in Europe. In the wake of the October crash, Irish shares fell by 44 per cent, compared with falls of 33 per cent in the UK and 25 per cent in the US, according to the FT-A World Index. But its gains since then are well ahead of both London and New York figures. The Irish Stock Exchange has been officially operating as part of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited since last year. The London and Dublin exchanges, however, were amalgamated back in 1973.

MARKET PROFILE

London is consulted before a company is given a quote on the main market, the USM (unlisted securities market) or the third and smaller companies markets. The Irish Stock Exchange committee, however, has the final say on all matters. The market is currently capitalised at about £5.9bn (\$8.5bn) and covers about 80 shares. The six leading Irish companies, including Jefferson Smith, Waterford Glass and Allied Irish Bank, exert an overwhelming influence on the market, accounting for more than 50 per cent of trading - and the top 10 companies represent about 60 per cent of capitalisation. The recent takeover activity and speculation involving two of these leading companies - Irish Distillers and Waterford Glass - have been important factors in improved market performance. Bonds are traded on the main market, with 53 Irish government funds and 22 Irish land bonds listed. Many of the old ways survive on the Dublin Exchange. A call system still operates with members meeting twice a day - at 9.30 am and 2.15 pm - on the exchange floor. Trading at both sessions usually lasts about an hour, followed by after-hours trading, which finishes at about 5.30 pm. Trading remains mostly paper-based, in spite of the existence of the Stock Exchange Automated Quota-

STOCK MARKET FACT CHART DUBLIN

Market capitalisation: £5.9bn (\$7 = 60 Irish pence, £1 = £1.79) Number of shares listed: about 80 Trading hours official - sessions lasting about an hour at 9.30 am and 2.15 pm; after hours - until about 5.30 pm Average daily turnover, second quarter 1988: £176m Main indices: Davy's (53 stocks), Irish Times (about 50), Irish Independent Current level of index (Davy's): 821.68; 1988 high: 863.12 (20/7); 1988 low: 549.90 (4/1) Settlement: end of two-weekly account Address: The Stock Exchange, 21 Angel's Court, Dublin 2, Tel 778888. The banks are the biggest players on the market, but the statutory exchange authority is made up of stockbrokers. Foreign investors face no restrictions on share ownership, but Irish investors have been restricted in the size of their overseas investments since exchange control laws were imposed in 1978. The identity of a buyer must be revealed if a holding equals or exceeds 1 per cent. However, it is at the discretion of the Stock Exchange Committee whether such information is made public. All shares carry voting rights and all dividends are paid net to shareholders. Kieran Cooke Tomorrow: Lisbon profile

EUROPE

Finland stands alone at new peak

CORPORATE news and speculation again kept interest alive in holiday season trading, with most European bourses showing only slight movements on the day. Finnish shares proved the exception with another new high, writes Our Markets Staff. PARIS moved slightly higher, again in relatively low volumes, keeping an eye on Wall Street in the absence of domestic market-moving news. The CAC index, based on opening prices, was up 1.1 at 359.0, and the closing OMX 60 index rose just 0.08 to 357.02. There were gains again for privatisation stocks as investors awaited news on government moves to weaken hard core shareholdings. CCF, the privatised bank, climbed FF5.50 to FF132.50 while Societe Generale found FF16 to FF943, with 44,275 shares traded. Labinal chairman Mr Amaury Halna du Frey said the move was inopportune - Fiat said it had no intention of increasing the stake. Materials group Lafarge rose FF18 to FF134.10 on positive press reports and retailer Carrefour, which has underperformed for a long period, climbed FF7.30, or 3 per cent, to FF2,830. MILAN began well, hit profit-taking, and then recovered to end slightly higher, with blue chips especially favoured. The insurance sector, which has been featuring in local brokers' reports, was again in demand, with General up L400 at L90,900. Fiat was also strong during the day, easing back to close L67 lower at L9,760, then rising

to L9,795 in a positive after-hours reaction to its stake in France's Labinal. Chemical Montedison ended L9 lower at L1,909 but picked up to L1,925 after hours, while Olivetti added a further L150 to L10,440. The Comit index edged up 0.40 to 539.29. HELSINKI continued its bullish trend with a 0.4 per cent rise to its second consecutive all-time high. Trading was moderate and the continued optimism reinforced mainly from abroad. The Unitas all-share index rose to 2.8 to a record 768.1. Nokia free shares rose FM3 to FM183. According to one analyst, there are differences of opinion between Finnish and UK observers on its 1988 profits, with the former expecting them to hold up well and the latter fearing they may be dented by recent acquisitions. FRANKFURT moved lower in dreary turnover following Wall Street's indecisive close on Monday and a slightly weaker dollar. A quarter point rise in the securities repurchase rate to 4.25 per cent made little difference to shares and the FAZ ended 0.96 lower at 489.42 while the real-time DAX closed 5.39 lower at 1,184.21. Volume was DM2.06bn. Siemens edged up 10 pf to DM428.90 after announcing a 2 per cent increase in nine-month profits, described by one specialist as "respectable, but not as good as some people were expecting". Nixdorf climbed DM18.80 to DM455 on buying by a West German and a Swiss institu-

tion which are thought to be expecting good half year figures from the computer company next week. Construction stocks benefited from reports of good prospects for the sector. Hochtief added DM12 to DM48, with interest focusing on a chart break-out for the stock which has been static around DM450 for a few months but has risen to the DM480 level in the past week, according to one analyst. He said the prospect of an end to the Gulf War was also positive for a company which has traditionally been strong in the Middle East. Bonds rose 20 to 30 pf, with the yield on the 6 1/2 per cent 1998 federal bond at 6.76 per cent after 6.80 per cent. AMSTERDAM had a fairly quiet day, ending little changed after early losses were reversed by the dollar's recovery from overnight weakness and continued optimism about interim results. "After the hiccup of Philips last week, people are remembering that 1988 hasn't been at all bad," said one analyst. A better start on Wall Street also helped sentiment, and the CBS all share index finished unchanged at 98.5 after Monday's strong performance. The publishing sector was firm, with VNU rising F1.20 to F1.93 and Elsevier picking up 20 cents to F1.60.80. There have been sporadic rumours that Reed International might take a stake in Elsevier. Food stock Wiggins added 20 cents to F1.78.70 after its acquisition of two US health food distributors.

SOUTH AFRICA

GOLD stocks in Johannesburg closed narrowly mixed yesterday after the financial rand strengthened in late trading following its sharply weaker opening. The low bullion price added to the market's uncertainty. Veal Reefs was unchanged at R290 after earlier reaching R298. Bartles dropped 40 cents to R19.85 after hitting R20.85. and Frengold gained 50 cents to R29.50. Diamond share De Beers added 20 cents to R38.60 and mining house Anglo American firmed 75 cents to R56.75.

ASIA PACIFIC

London is consulted before a company is given a quote on the main market, the USM (unlisted securities market) or the third and smaller companies markets. The Irish Stock Exchange committee, however, has the final say on all matters. The market is currently capitalised at about £5.9bn (\$8.5bn) and covers about 80 shares. The six leading Irish companies, including Jefferson Smith, Waterford Glass and Allied Irish Bank, exert an overwhelming influence on the market, accounting for more than 50 per cent of trading - and the top 10 companies represent about 60 per cent of capitalisation. The recent takeover activity and speculation involving two of these leading companies - Irish Distillers and Waterford Glass - have been important factors in improved market performance. Bonds are traded on the main market, with 53 Irish government funds and 22 Irish land bonds listed. Many of the old ways survive on the Dublin Exchange. A call system still operates with members meeting twice a day - at 9.30 am and 2.15 pm - on the exchange floor. Trading at both sessions usually lasts about an hour, followed by after-hours trading, which finishes at about 5.30 pm. Trading remains mostly paper-based, in spite of the existence of the Stock Exchange Automated Quota-

Dublin

London is consulted before a company is given a quote on the main market, the USM (unlisted securities market) or the third and smaller companies markets. The Irish Stock Exchange committee, however, has the final say on all matters. The market is currently capitalised at about £5.9bn (\$8.5bn) and covers about 80 shares. The six leading Irish companies, including Jefferson Smith, Waterford Glass and Allied Irish Bank, exert an overwhelming influence on the market, accounting for more than 50 per cent of trading - and the top 10 companies represent about 60 per cent of capitalisation. The recent takeover activity and speculation involving two of these leading companies - Irish Distillers and Waterford Glass - have been important factors in improved market performance. Bonds are traded on the main market, with 53 Irish government funds and 22 Irish land bonds listed. Many of the old ways survive on the Dublin Exchange. A call system still operates with members meeting twice a day - at 9.30 am and 2.15 pm - on the exchange floor. Trading at both sessions usually lasts about an hour, followed by after-hours trading, which finishes at about 5.30 pm. Trading remains mostly paper-based, in spite of the existence of the Stock Exchange Automated Quota-

Nikkei hits high in nervous trading

Sankyo Seiki, topped the active list with 69.28m shares traded. It finished Y13 higher at Y777. Tokyu Land was the second busiest issue with 55.76m shares changing hands. It ended Y10 higher at Y1,130, on a sharp increase in construction of condominiums at resort sites, prompted by the Government's resort development policy. Tokyu Land's strong performance inspired other property and housing issues, with Misui Real Estate rising Y30 to Y2,530, Mitsubishi Estate Y20 to Y2,520 and Daiwa House Y110 to Y2,110. Retailers saw speculative buying, and Isetan added Y290 to Y2,410. Bond prices eased in the absence of fresh news. The yen's firmness at Y132 against the dollar dissuaded dealers from active participation. Late heavy selling of the September contract on the bond futures market proved another disappointment. The yield on the benchmark 5.0 per cent government bond, maturing in December 1997, opened at 4.95 per cent and then rose gradually to end at 4.95 per cent, up from 4.915 per cent at Monday's close.

HK\$960m rights issue for Henderson. Wharf lost 5 cents to HK\$9.30 before announcing after the market closed that annual profits were up more than 10 per cent and that it had revealed its net assets. AUSTRALIA edged down after late selling concluded a lacklustre day. The All Ordinaries index ended 0.6 lower at 1,623.8. Volume was a light 91m shares worth A\$135m. Weaker commodity prices left most resource stocks lower, with MIM active on 2.33m shares, easing 2 cents to A\$2.17. However, Bell Resources rose 4 cents to A\$1.78 on good buying support. It later emerged that investment company Adelaide Steamship held an 11.44 per cent stake. There had been speculation that Adsteam was buying, possibly to block a planned reverse takeover of Bell Resources by Bond. Adsteam rose 10 cents to A\$8.50. SINGAPORE eased following poor performances in New York and Tokyo, amid selective buying and bouts of profit-taking. The Straits Times Industrial index shed 1.80 to 1,160.83.

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns for NATIONAL AND REGIONAL MARKETS, MONDAY AUGUST 1 1988, FRIDAY JULY 29 1988, and DOLLAR INDEX. Rows list various countries and their stock indices with percentage changes.

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US \$ index); 92.99 (Pound Sterling) and 94.94 (Local). Copyright: The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd. 1987. Markets closed on 1 August: Canada, Ireland and Switzerland. Latest prices were unavailable for this edition.

Commercial Aviation to the End of the Century. 30, 31 August & 1 September, 1988. Financial Times Conference Organisation. 126 Jermyn Street, London SW1Y 4UJ. Telephone: 01-925 2323. Telex: 27347 FTCONF G Fax: 01-925 2125

Contracts & Tenders. MINISTRY OF FINANCE OF PORTUGAL. PERIOD FOR SUBMISSION OF INTERNATIONAL TENDERS FOR PRE-QUALIFICATION FOR ECONOMIC AND FINANCIAL ASSESSMENT AND TECHNICAL ASSISTANCE IN THE PRIVATISATION PROCESS. We hereby announce that, until 6 p.m. of the 16th August, 1988, a period for submission of tenders is open for the prequalification of entities for the economic and financial assessment of public sector enterprises and technical assistance in view of the privatisation process, recently started by the Portuguese Government.

Change of Address. The Royal Bank of Scotland plc announce the transfer of their Registrar's Department (Unit Trust Section) to the undernoted address with effect from 8 August 1988. The Royal Bank of Scotland plc Registrar's Department PO Box 53 Canning House 19 Canning Street EDINBURGH EH3 8TB Telephone No 031-556 8555 Telex No 727057 RBSCOT Fax No 031-228 4989

Company Notices. NOTICE TO HOLDERS OF THE HONGKONG BANK LTD. CONVERTIBLE BONDS 1982. Pursuant to the Condition (C) of the Terms and Conditions of the above mentioned bonds, I hereby give notice that, because of the issuance of 1988 convertible bonds, the conversion price of the above mentioned bonds have been adjusted as follows: 1. The conversion price in effect before such adjustment was Yen 1,200.00 per share of Common Stock and the adjusted conversion price is Yen 1,208.80 per share of Common Stock. 2. Such adjustment took effect on 31st August, 1988. The Hong Kong Bank Ltd. is the Principal Paying Agent.

Vertical text on the right edge of the page, including 'Sara talks Southern to run the day' and other fragments.